S3473-2-V

# THE STATUS OF MAINE'S FINANCIAL INSTITUTIONS

A REPORT OF THE BANK SUPERINTENDENT
PREPARED BY THE STAFF OF THE
MAINE BUREAU OF BANKING

*Submitted to the 115th Legislature*
*Pursuant to the Requirements of*
*Title 9-B M.R.S.A. § 217*

January 14, 1994

*John R. McKernan, Jr.*
*Governor*

*H. Donald DeMatteis*
*Superintendent*

# INTRODUCTION

The past year marked major improvement in the condition of the banking industry in Maine. Earnings have recovered to record levels, with total net income for the year approaching $140 million as compared to $71 million for year-end 1992. The spread between interest paid on deposits and rates earned on loans remained extremely favorable to banks. Prevailing low interest rates have precipitated many refinancings of existing real estate mortgages and promoted increased sales of the current stock of available housing; this business is a source of additional fee income to financial institutions and their affiliated mortgage companies. Loan losses and non-performing loans continued to decline sharply and are approaching normal levels at most banks. The statistics for the Maine banks rate them above their peers in all other New England states.

Although loan demand remains sluggish, Maine's growth is above the regional average but lags the national mean. Lending activity is by no means uniform throughout the state; some banks have experienced substantially higher than average growth. The system contains ample liquidity and as demand continues to grow, Maine financial institutions are well positioned to service the need. The Clinton Administration reintroduced the concept of "character" loans through changes in federal supervisory policy (ongoing Bureau policy has been more tolerant of this type of lending). A portion of a bank's loan portfolio may be set aside for lending based on character; these loans would be shielded from criticism for documentation

deficiencies from bank regulators. To date, no Maine banks have introduced this program, but it is under consideration.

As the health of the banking industry in Maine improves, the number of institutions under formal enforcement actions has declined. Since the date of this report last year, there has been a 25% reduction in supervisory agreements; it is expected that at least half of the remaining enforcement actions will be lifted during the coming year. While supervisory concerns are subsiding, it is somewhat ironic that in the coming year the FDIC will move to fully implement the annual examination schedule mandated by the FDIC Improvement Act of 1991. The Bureau will work, through its divided examination program, to minimize the regulatory burden imposed by this federally-mandated schedule upon the state-chartered financial community.

With the improved condition of the industry will come increased merger, acquisition, and conversion activity, as well as general expansion of services. Peoples Heritage Bank successfully completed its capital stock offering and enhanced its earnings throughout the year; the bank's sound recovery and restored capital put it in a position to now seek the acquisition of Mid-Maine Savings Bank of Auburn, Maine. It is anticipated this transaction will be consummated in the first half of 1994. The parent company of Key Bank of Maine has agreed to merge with Society Corporation, Cleveland, Ohio to form the nation's tenth largest bank holding company. No substantive impact on the Maine subsidiary is anticipated. Coastal Bank is in the process of resolving its outstanding cross-guarantee liability to the FDIC, which originated from the failure of its Connecticut affiliate. The proposal would have the FDIC take a preferred stock position in the bank equal to 95% of its

value; the stock would be sold at a later date to an investor/acquirer. Three federally chartered credit unions (BIW Employees Federal CU, S.D. Warren Employees Federal Credit Union and Chestnut Federal CU) have, or are in the process of, conversion to state charter.

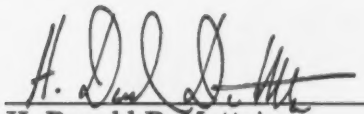
The Maine legislature recently granted mutual savings banks the authority to form mutual holding companies, in which a minority stock interest may be sold to other investors. Federal regulatory action and IRS rules regarding these transactions have just become available. The Bureau is working on a rule to guide state chartered savings banks who choose to move to this form of structure. The Legislature also empowered financial institutions to sell annuities; a rule governing the distribution of those products are being developed by the Bureau of Banking. The sale of mutual funds on bank premises has become popular, and guidelines governing these activities are now being proposed by the Bureau and the Securities Division.

Just prior to year-end, the Bureau promulgated a rule to raise its semi-annual assessment from $.06 to .07 per $1000 of assets. It also put in place a special assessment for one year to replenish cash reserves that were depleted when dealing with the serious problems confronting the industry during the three previous years. Rising indirect costs and allocation of previous general fund expenses to the Bureau, coupled with the slow growth in bank assets, compelled the increase in assessment in order to carry out the Bureau's mandated regulatory mission. The ongoing increase of the assessment will cost approximately $125,000 or about 17¢ per account holder per year.

The Bureau is establishing an Advisory Committee, comprised of representatives from the regulated community, to review its budgeted allocation of

resources, revenue projections, and assist in forecasting industry growth. We are committed to controlling our costs and operating within the revenue stream provided by the current assessment formula. The industry supported the Bureau's position and the need for an adequately staffed and funded state banking department in comment letters received during the rule making process.

With the economic recovery gaining momentum and an outlook for only modest increases in rates, Maine's financial institutions should be looking forward to another year of record earnings, moderate growth, ample rate spreads and continued reduction in problem assets.



H. Donald DeMatteis
Superintendent

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## SECTION I

# INTERSTATE BANKING AND NET NEW FUNDS

Interstate banking was introduced in Maine in 1983 and was accompanied by the concept of net new funds, which embraces the principle that funds gathered in Maine should be reinvested in Maine within the parameters of acceptable banking risk. Since that first acquisition of a Maine bank by an out-of-state owned bank, there have been ten additional acquisitions. Through a series of mergers and closings, the number of out-of-state owned banks steadily declined from a high of ten in 1987 to the current four.

Since 1987, the out-of-state owned banks' share of total bank deposits and total loans has steadily declined (excluding the 1991 aberration due to Fleet Bank of Maine's acquisition of the failed Maine Savings Bank and Maine National Bank) when they reached their high of 49% and 48%, respectively. At June 30, 1993, their market share had dropped to 43% and 45%, respectively. The recent market share decline is due to a combination of actual dollar decreases by the out-of-state owned banks in both deposits and loans while the in-state banks increased their dollar outstandings. During the twelve month period ending June 30, 1993, deposits at all four out-of-state owned banks declined; loans declined at three of the four banks. The decrease, however, has been most pronounced at Fleet Bank; the factors affecting Fleet Bank's commercial lending, discussed in more detail in Section II, also are applicable to the bank's deposit base and total loan portfolio. Year-to-date data through September 30, 1993 reflects very modest loan growth but a continuation of

the deposit decrease. This weak demand for bank loans is not unique to Maine; demand has been weak throughout New England and nationwide, with any gains attributed to increased residential mortgage lending.

Although there are certain common factors, including the sluggish local economy and historically low interest rates on deposits, each of these four out-of-state owned banks is reacting to its own unique set of circumstances. To attribute the lack of growth to their ownership would be an oversimplification and inaccurate. However, the out-of-state ownership is a factor, but only tangentially. The growth patterns in Maine have been driven by the condition of each bank's consolidated parent company and have not been unique to the Maine bank. Not surprisingly, the "large banks" (those banks with total assets greater than $1 billion) have experienced a similar growth pattern; three of the four large banks also have out-of-state ownership. The four large banks accounted for 58% of total loans and 55% of total deposits at June 30, 1993; both percentages are down from the prior year. The following chart shows the changes in deposit and loan totals by out-of-state owned banks and large banks.

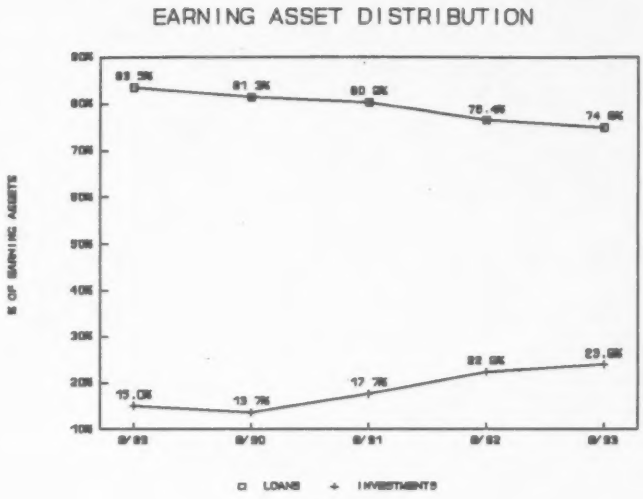
| | 6/92 | 6/93 | % CHG |
|---|---|---|---|
| LARGE BANKS | | | |
| LOANS | 59.7% | 58.0% | -1.5% |
| DEPOSITS | 58.7% | 55.2% | -8.5% |
| OUT-OF-STATE | | | |
| LOANS | 47.1% | 45.0% | -3.0% |
| DEPOSITS | 46.3% | 43.5% | -8.8% |

The anecdotal reports, cited in last year's Report, regarding customer dissatisfaction with various policy and/or procedural changes implemented by selected out-of-state owned banks continue. The small, locally-owned and managed banks have been able to take advantage of these opportunities to build their market share, especially among consumers and the small to medium-sized businesses. However, as the economy continues to improve and the large and out-of-state owned banks refine their marketing strategies, competition for certain segments of the market is expected to intensify, to the benefit of the customers in the form of improved services and innovative and lower priced products.

The ratio of Adjusted Maine Assets to Maine Funds fell for the third consecutive year (see Exhibit II). However, the decrease was significantly less than that recorded in the prior year. The performance of the individual banks ranges from a high of 167% to a low of 63%. As the graph below shows, the reduction has been driven by a shift of earning assets out of loans and into investments; most investments are non-Maine based and therefore deducted from "Adjusted Maine Assets."

Concomitantly, there has been an increase in the percentage of non-Maine based loans which has added further to the deductions from "Adjusted Maine Assets." On the funding side, the reliance on non-Maine funds has been fairly stable over the last five years. The shift in asset mix has been a nationwide response to the economic downturn, weakened financial condition of the banks and heightened bank regulation. All of these factors appear to be moving in a favorable direction which should result in proportionately more loans and less investments. It is interesting that, despite the asset shift mix, the loan-to-deposit ratio of the out-of-state owned

banks increased for the first time in three years, to a very high 90%; the ratio for the in-state owned banks was 84%.




The Net New Funds Report also gathers information on intercompany transactions between the Maine banks and their out-of-state parent company and affiliates. The out-of-state affiliates continue to serve as a net provider of funds to the Maine bank; the level was nominal at under 3% for the last two reporting periods. The transfer of assets, limited to loans and primarily real estate loans, is also minimal. Due to the weak earnings of the banks, dividends to the parent have been nominal; these could increase as bank earnings improve. Management fees paid by the Maine bank to its parent and affiliates increased substantially in fiscal 1992, the most recent year for which this data is available. This dramatic increase raises questions regarding the efficiencies and economies of scale actually gained from interstate consolidation. However, a significant portion of the increase could also be related to the abnormally high level of problem assets held by these banks and the accompanying high expenses associated with their resolution. As the banks' condition normalizes, the Bureau will closely monitor management fees and will take measures to ensure that the payment

of fees is reasonable and within the parameters of appropriate laws and regulations.

Peoples Heritage Financial Group is now the only Maine financial institution that owns an affiliate outside of Maine and is subject to an Interstate Acquisition Agreement. This agreement is designed to prevent an outflow of Maine deposits to fund activities in the company's New Hampshire subsidiary. Mid Maine Savings Bank, which had been subject to an agreement resulting from its 1989 acquisition of Hampton Co-operative Bank in Hampton, New Hampshire, was released from the agreement when it merged the sole office of the latter into the bank in June, 1993 (such interstate branching is permissible for federally chartered thrift institutions). In November, Peoples Heritage and Mid Maine announced that Peoples Heritage will file to acquire Mid Maine and merge the Maine offices of the latter into Peoples Heritage Savings Bank and the Hampton office into Peoples Heritage's New Hampshire bank subsidiary.

The merger of Mid Maine into Peoples Heritage is a local example of the nationwide trend of consolidation among financial institutions as they respond to a variety of factors pressuring bank profitability. Another example of this consolidation, on a much larger scale, is the pending merger of KeyCorp and Society Corporation. KeyCorp, headquartered in Albany, New York and the parent of Key Bank of Maine, is the 25th largest bank holding company in the United States and operates banks in nine states; Society, headquartered in Cleveland, Ohio, is the 28th largest and operates banks in four states. The combined entity would rank as the tenth largest bank holding company; its branch network would be the fifth most extensive. While consolidation within the industry is projected by many to accelerate, near term consolidation of Maine banks is not expected to be significant. Similarly,

acquisitions of Maine-owned banks by out-of-state owned banks are not anticipated, nor are Maine-owned banks expected to seek acquisitions outside the state.

## SECTION II

# COMMERCIAL LENDING ACTIVITIES

All commercial banks and selected savings banks operating in Maine file a Commercial Lending Activities report which provides various data on the institution's commercial loan portfolio. This is an annual report with the data as of June 30; the data referred to in this section is as of June 30, 1993 and is compared to the data for June 30, 1992. Aggregate commercial loans at the reporting banks fell an estimated $400 million in the twelve months ending June 30, 1992 and $450 million for the period ending June 30, 1991; in the twelve month period ending June 30, 1993, commercial loans increased $55 million. This 1.4% increase, while modest, is a substantial improvement over the performance of the two prior periods. As the economic recovery gains momentum, gradual growth in commercial loans is expected, mirroring the growth in the local economy.

This 1.4% growth, however, does not accurately reflect the performance of most of the individual banks. As in the past two years, the level of outstanding commercial loans continued to be materially affected by the performance of Fleet Bank of Maine. During the twelve months ending June 30, 1993, Fleet Bank's commercial loans outstanding declined $130 million, or 13%, as its share of total commercial loans fell from 26% to 22%. Four other banks also reported a decrease in commercial loans, but their decrease was minor. On the other hand, twenty banks increased their commercial loans, at an average rate of nearly 11% and at an aggregate rate of nearly 8%. In the prior year, only twelve of the reporting 24 banks

increased their commercial loans. It is estimated, however, that a significant portion of the growth came at the consequence of Fleet Bank. Therefore, real growth in bank commercial loans is estimated in the 3% to 5% range.

Fleet Bank's performance, as in the two prior years, continued to be materially affected by its 1991 acquisitions of the failed Maine Savings Bank and Maine National Bank. These two acquisitions more than doubled the size of Fleet Bank, necessitating a transition period for both the bank and transferred customers to evaluate the desirability of continuing the relationship. This transition was compounded by the downturn in the economy and the weakened condition, in general, of the banking industry. As a result, banking relationships were terminated or curtailed, both voluntarily and involuntarily. This transfer of relationships from one institution to another has accelerated as the financial condition of the banks and the borrowing businesses has improved. Reportedly, banks are now aggressively competing for commercial loans. There were a number of other factors that contributed to Fleet Bank's reduced commercial loans: a substantial bulk sale of loans; the required divestiture of seven branches; and the composition of the bank's customer base. Fleet Bank, due to its size, historically has provided financing for many of the state's larger businesses. These businesses, in reacting to the economy, have also restructured and lessened their dependence on bank financing. Several have been able to take advantage of the robust stock market and issue initial public stock offerings. Last, the reduction in loans was concentrated in the last six months of 1992. Fleet Bank reports that its new business activity is up substantially for 1993.

Last year's report went into detail explaining the significant impact on

outstanding commercial loans caused by the Maine Savings Bank and Maine National Bank failures and the resultant establishment of RECOLL by Fleet Financial Group to manage and collect the bad assets acquired by the FDIC in conjunction with its liquidation of the failed banks. The RECOLL portfolio has been reduced substantially, has stabilized, and, going forward, should not be a material factor in analyzing the performance of commercial loans in Maine.

The past weakened financial condition of several of the state's banks had a significant effect on their ability and/or willingness to lend; this issue was discussed in detail in the prior two Annual Reports. These impediments have been largely resolved and, except for a very few isolated banks, are not considered to thwart the banking industry's lending activity. Further, federal regulators have initiated several measures in their efforts to encourage small business lending. As stated last year, there are two prerequisites to increased commercial lending: (1) the willingness and ability of the banks to lend and (2) demand for loans from credit-worthy businesses. The first condition appears to be satisfied; further growth is now dependent upon demand, which in turn appears dependent upon continued economic recovery.

The comparison between in-state and out-of-state owned banks and between large and small banks is continued; because nearly all banks are now reporting satisfactory earnings, the comparison based on earnings is not considered meaningful.

| | # of Banks | 6/93 Loan Share | 6/92 Loan Share | Loan Growth |
|---|---|---|---|---|
| In-State | 23 | 42% | 40% | 6% |
| Out-of-State | 4 | 58% | 60% | -1% |
| Small | 23 | 24% | 22% | 9% |
| Large | 4 | 76% | 78% | -1% |

From this table, one could reach several conclusions, two of which are that (1) the out-of-state owned banks are curtailing their commercial lending activities in Maine, or (2) the large banks are curtailing their commercial lending activities in Maine. However, as discussed above and based on discussions with bankers and small business owners, our perception is that the large and the out-of-state owned banks are aggressively soliciting new loans but that there continues to be some customer fallout from Fleet Bank's acquisitions, the perceived aggressive collection efforts of some of the banks, and internal bank consolidation of functions resulting in greater centralization and less local autonomy. All of these factors have favored the small, independent bank and most have taken advantage of the opportunity and become more aggressive lenders to local small businesses. This trend is expected to continue, although the larger banks have recently begun to increase their small business lending efforts. As a result, the growth rate for large banks is expected to increase while the rate of increase for the small banks should moderate.

Whereas in past years the comparison of the composition of the commercial loan portfolios has been between the in-state and out-of-state owned banks, this year the comparison is between the large and small banks. As Chart #1 shows, there was relatively little change in the composition of the small banks' commercial portfolio.

The large banks, however, dramatically altered their composition, as Chart #2 shows; such a dramatic change is surprising given the nominal decrease in total commercial loans. While finance sector loans, which include commercial real estate, continue to represent the largest percentage of their portfolio, such loans declined nearly $350 million, or 28%. The only other category to experience a decline was manufacturing, down 17%; trade and service categories both experienced significant growth, both in absolute dollar and percentage terms. These changes are consistent with events in the Maine economy and trade and service should continue to be the leading growth sectors; commercial real estate remains under pressure with oversupply in several segments of the market and the slow improvement in the economy.

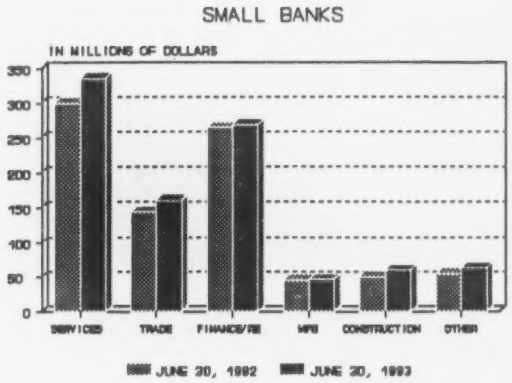



**Chart #1**

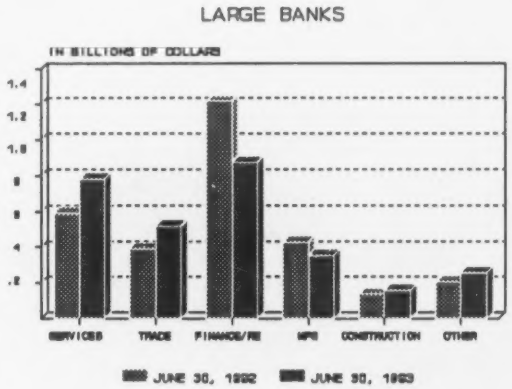



**Chart #2**

Credits to the natural resource-based industries, which includes farming, fishing, forestry, mining, food products processing, wood products and furniture

manufacturing, fell 19%, from 6.7% of total commercial loans to 5.3%. The decline was most pronounced in the large banks, although they still account for the majority of the lending, at 67%.

The average loan, in dollar amount, increased significantly, up from $96,000 in 1992 to $114,000 in 1993. This increase was led by the large banks, where the average loan rose from $111,000 to $140,000; the average loan at the small bank increased more modestly, from $68,000 to $72,000. As in prior years, a portion of this increase in average loan size is attributed to improved recordkeeping and reporting by the banks in aggregating common advances to one borrower. An additional contributing factor this year may be debt consolidation, which would be more likely at the larger banks. Credits under $25,000 continue to dominate, accounting for 46% of all commercial loans at the large banks and 50% at the small banks. Providing further evidence of the emphasis on small-to-medium size business lending, the number of credits greater than $500,000 was steady. However, the small banks continue to increase their share of this market, accounting for 28% of all loans at June 30, 1993, up from 20% one year earlier.

Charts #3 and #4 compare the dollar volume of commercial loans by dollar size for the reporting banks at June 30, 1993 and June 30, 1992. It is important to note that, despite the increase in the average size loan and the fact that over 80% of loans, by dollar amount, are over $100,000, the number of loans under $100,000 continues to account for nearly 80% of all commercial loans. This data continues to show that Maine's banks are providing credit for the state's small businesses. Data collected on new advances ( advances granted in the twelve month period ending June 30, 1993) is consistent with the trends discussed above; in fact, the average size of all

new advances was only $67,000 and nearly 90% were under $100,000.

The reporting banks continued to increase their utilization of government guaranty programs (primarily Small Business Administration) as the dollar volume increased 37%, after increasing nearly 25% for the prior year. Government guaranteed loans represent nearly 5% of all commercial loans, up from 2.7% at June 30, 1991. During the recent "credit crunch", the Finance Authority of Maine ("FAME") has assumed an increasingly active and significant role in ensuring that the state's businesses have continued access to credit. The increased reliance on federal and state government guaranteed loans is a response to the more stringent credit standards adopted by the banks and the reduced tolerance for risk. It is expected that the banks will continue to increase their reliance on guaranty loan programs, recognizing that such programs maximize credit availability to small and mid-sized businesses which depend on bank financing.

**DOLLAR VOLUME OF COMMERCIAL LOANS BY SIZE CLASS**
**ALL REPORTING BANKS**
**JUNE 30, 1993**
**($000)**

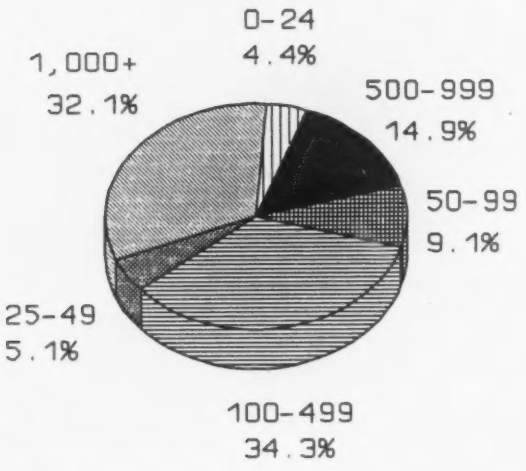



**Chart #3**

**DOLLAR VOLUME OF COMMERCIAL LOANS BY SIZE CLASS**
**ALL REPORTING BANKS**
**JUNE 30, 1992**
**($000)**

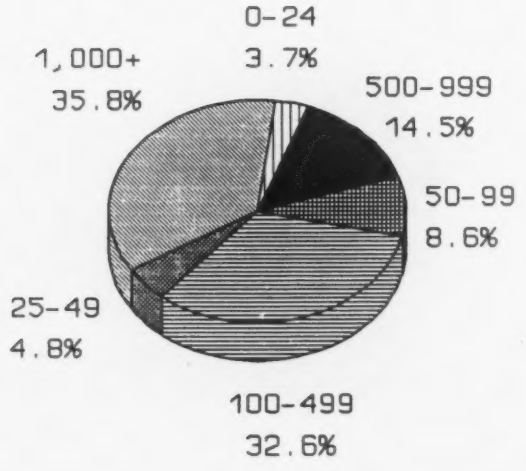



**Chart #4**

## SECTION III

# MAINE FINANCIAL INSTITUTIONS NEW PRODUCTS AND SERVICES

*NOW accounts, money market mutual funds, certificates of deposit, repurchase agreements, consumer loans, commercial loans, asset-based lending, home equity loans, credit cards.* This is but a partial list of the products and services that Maine's banks and credit unions have developed in response to marketplace demands and a need to diversify in the constantly changing array of financial services community. While it is recognized that these products and services are variations on the basic theme of the traditional business of banking, as defined in the Maine Banking Code ..."soliciting, receiving or accepting of money or its equivalent on deposit and the loaning of money as a regular business..."[1] and ones that Maine consumers have grown accustomed to using, clearly the face of banking in this State has changed dramatically over the past twenty years. With the advent of recently enacted rules on both the state and federal level, Mainers can expect to be introduced to an even wider range of products/services by those financial institutions that choose to compete in the arena of the modern financial services market. Following is a brief description of some of the potential new services.

*MUTUAL FUNDS*

By definition, a mutual fund means an open-end investment company.

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[1]Title 9-B M.R.S.A. §131(5)

Investor funds are pooled to purchase various stocks and/or bonds. Market conditions dictate the value of each share in the mutual fund; such value may represent a substantial gain or loss on principal investment at any given time. Generally, mutual fund companies will charge either a front-load fee (payable at the time investment is made), end-load fee (payable at the time funds or withdrawn), or management fee (determined by the amount of investment).

Given the current interest rate environment, many individuals have sought out higher yielding alternatives to low yielding federally-insured deposits. Mutual funds have been aggressively marketed as an option. Traditionally, mutual funds have been managed and marketed by investment houses. However, across the nation, we are seeing financial institutions establishing third-party contracts with broker dealers to promote mutual funds at bank offices. In some areas, larger regional financial conglomerates are direct marketing mutual funds that are managed and underwritten by their subsidiaries. These activities have given rise to considerable regulatory scrutiny; state and federal guidelines have been issued. In addition, federal legislation has been proposed and industry standards have been self-imposed to provide some uniformity in the practices utilized by financial institutions distributing these products.

Similarities between uninsured mutual funds and insured deposit products distributed through banking offices, raise concern that the public may not make the distinction and, as a result, unanticipated losses may be incurred. Through rule-making, the Bureau and its Securities Division address these concerns by establishing guidelines and disclosure requirements for both the financial institutions and any broker-dealers that may arrange for the distribution of investment products

on bank premises. Both agencies monitor their respective regulated constituencies to assure compliance with such guidelines.

*ANNUITIES*

On June 11, 1993, the Governor signed into law, P.L. Chapter 322, "AN ACT to Authorize Maine Financial Institutions and Credit Unions to Sell Annuities". This act, which became effective on October 14, 1993 permits Maine financial institution to arrange for the sale of annuities on bank premises. The bank may be licensed to sell these products or may arrange for a third party to act as agent for the bank. In either instance, the individual selling annuities must obtain a limited annuities license from the State Bureau of Insurance and may not hold any other full insurance license.

Annuities have long been a product that hold certain attraction for bank customers, particularly those individuals who have invested in Individual Retirement Accounts (IRA's). When a person reaches the age of 59 1/2, he may withdraw funds from an IRA without incurring a penalty. Generally, people take these funds and purchase an annuity that provides a stream of income over a fixed period of time. Under the new law, financial institutions retain their relationship with its customer by providing for the sale of annuities. The law stipulates that the annuity may not be underwritten by the financial institution and there must be prominent statement, both orally and in writing, that annuities are not insured by the Federal Deposit Insurance Corporation.

There has been considerable interest by Maine's financial institutions in providing annuities products to their customers. Two multi-branch organizations are

moving forward with plans to become licensed to sell annuities, two community banks in the Southern Maine have already implemented plans to provide this service.

Regulatory issues involving the sale of annuities are similar to those surrounding the distribution of mutual funds. Clearly consumers must have a full understanding of these products. Through the Bureau of Insurance, licensing and continuing education requirements are being imposed upon any individuals engaging in this activity. The Bureau of Banking is developing a regulation providing guidelines to the financial community. The rule will include disclosure requirements providing information that will assist Maine consumers to make a distinction between a federally insured deposit product and an annuity product that is not federally insured.

## SECTION IV

# INDUSTRY CONDITION AND ENVIRONMENT

*BANKS*[2]

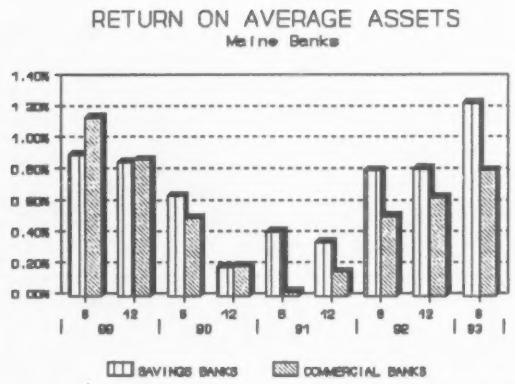


**Chart #5**

The condition of Maine banks continued to improve in 1993. As indicated by Chart #5, net income to average assets ("ROA") for commercial and savings banks continues a positive trend, which commenced December, 1991. Commercial banks reported ROA of .81% (annualized) at 6/30/93 as compared to .52% and .03% at 6/30/92 and 6/30/91, respectively. Savings banks show even more dramatic improvement. ROA was 1.24% (annualized) at 6/30/93 as compared to .81% and .42% at 6/30/92 and 6/30/91, respectively. While an extraordinary item relating to implementation of FASB #109 (Accounting for Income Taxes) is a particularly significant component of 1993 income for savings banks, exclusion of this extraordinary item results in an adjusted ROA of 1.09%, still a significant improvement over prior periods. ROA for Maine banks compares favorably with their New England peers, which reported ROA's of .56% and .64% at

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[2]Unless otherwise noted, "banks" are defined as state-chartered savings banks, state-chartered trust companies, and national banks. Collectively, trust companies and national banks are referred to as commercial banks. This definition is used to provide valid comparisons to the Federal Reserve Bank of Boston New England peer group statistics.

6/30/93 for commercial banks and savings banks, respectively. In the aggregate, Maine banking institutions reported net income of $60.5 million for the six months ending 6/30/93 as compared to $18.5 million at 6/30/92. This dramatic increase is due primarily to improving performance at our larger institutions. Thirty-one (31) of the thirty-seven (37) institutions are reporting profits, or 84%, which is essentially comparable to the 88% rate for New England as a whole at 6/30/93. A review of preliminary 9/30/93 indicates that 2 of 6 unprofitable banks became profitable in the third quarter.

The primary reasons for improved earnings performance is improved net interest income due a continued favorable interest rate environment and continued reductions in the level of nonperforming assets and loan losses. The level of net loan losses/average loans has declined steadily since 6/30/91 to .42% for commercial banks and .18% for savings banks. The level of loan losses indicated by these ratios is considered within the range of acceptable parameters. Nonperforming assets are approaching "normal" levels as well. Nonperforming assets for commercial and savings banks were $326.1 million, or 2.35%, at 6/30/93 as compared to $482.6 million, or 3.51% of assets, at 6/30/93. As Chart #6 indicates, nonperforming asset levels for Maine banks compare favorable with their New England peers, which also experienced significant decreases in nonperforming assets over the past two years.

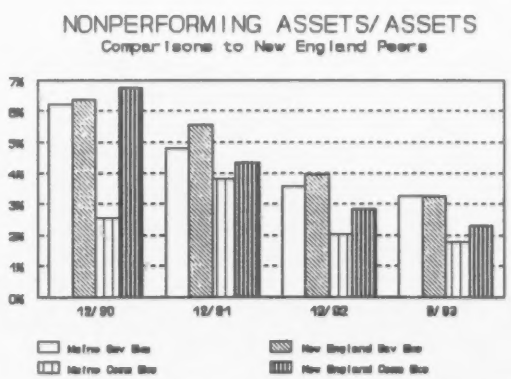


Chart #6

Interest margins continue to improve for the industry as benefits of the interest rate environment over the past two years continue to favorably impact the industry's funding costs more than unfavorably impacting earning asset yields. The reduction in nonperforming assets is also benefitting the interest margin. As Chart #7 indicates, the ratio of net interest income to average assets ("NII/AA") improved to 4.68% and 4.19% at 6/30/93 for commercial banks and savings banks, respectively. This important ratio had improved steadily since 6/30/91. The rate of improvement, however, appears to be slowing as the beneficial effects of the rate environment and the reductions in nonperforming assets are fully realized. There may be continued improvement in the coming year, it is unlikely improvements will be significant or that these will be sustained in future periods.

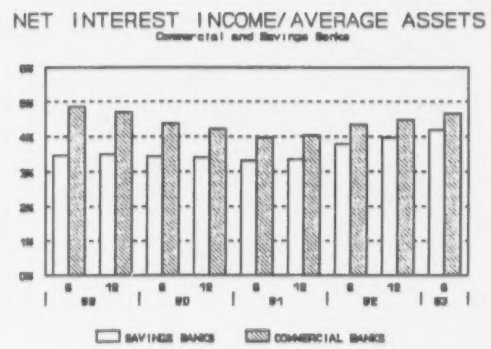


**Chart #7**

The interest rate environment during the past two years has significantly impacted deposit structure of banks. First, interest-bearing deposits have been declining (see Chart #8) since 1990. While some decline was due to a planned run-off of brokered deposits, there has been deposit disintermediation as customers are also withdrawing funds to invest in mutual funds, stocks, and other high-yielding investments. Second, the mix of deposits has changed dramatically. In December, 1990, savings accounts (savings, MMDA's, NOW's, etc.) accounted for approximately 38.4% of total interest-bearing deposits with time certificates of deposit accounting for the balance. As of 6/30/93, savings deposits accounted for nearly 50% of interest-

bearing deposits. This change in deposit mix is the result of customers moving away from certificates of deposit until rates begin to rise and/or they feel rates on these instruments are relatively attractive by comparison. This change in the mix of interest-bearing deposits has implications for bank performance. The cost of deposits will be lower as savings deposits typically carry lower rates of interest than certificates of deposit. While this is beneficial in the short-term, it may be problematic in the long-term under rising interest rate scenarios. Under these conditions, the net interest margin will likely be negatively impacted as deposits will likely reprice at higher rates more quickly than earning assets. The industry will respond to this challenge by attempting to lag the interest rate market in repricing savings deposits and to entice customers into certificates of deposit to mitigate increases in the cost of deposits under rising interest rate scenarios.

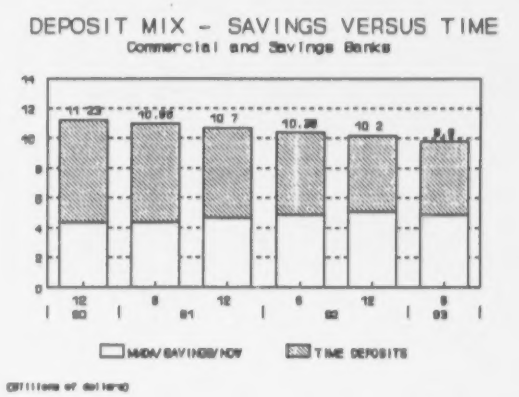


**Chart #8**

As indicated by Chart #9, loan growth continues to be sluggish at best. At 6/30//93, total loans for commercial and savings banks was $9.6 billion as compared to $10.4% at 12/90. Since 12/31/92, there has been modest growth of 2.01% as loans have increased from $9.4 billion to the current level. Savings banks account for all industry loan growth as loans increased from $3.6 billion to $3.8 billion since year-end 1992. Commercial banks reported a slight decline at 6/30/93. The primary components of savings bank loan growth were residential real estate loans, which is

clearly a function of rate induced refinancings, and commercial and industrial loans.

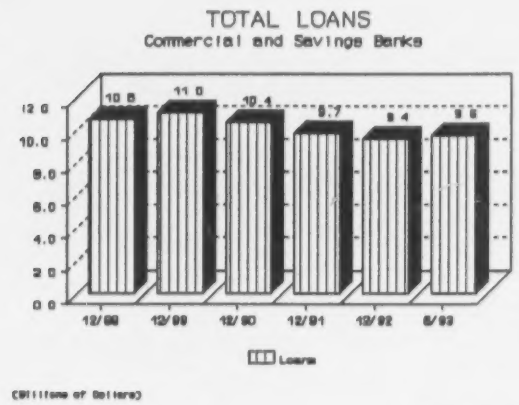


**Chart #9**

It is difficult to project the future course of lending activity by Maine banks as the statistical and anecdotal evidence is mixed. As nonperforming loans are nearing nominal levels, loan portfolio contraction caused by the disposition of a large volume of sub-quality loans appears to have ceased, or at least nearly so. Also, now that sub-quality loans are at, or close to "normal" levels, banks should become more willing to make new loans than in the recent past. Additionally, loan/asset ratios of 67% and 72% for commercial and savings banks, respectively, indicate sufficient capacity for increased lending activity. National statistics[3] indicate modest loan growth of $44.2 billion at 6/93 over 6/92, or 1.7%, which is somewhat more favorable than the .8% reported by Maine banks for the 12 months ending 6/30/93. New England peer group statistics, however, are less favorable than Maine statistics. Despite very modest growth indicated by second quarter statistics, bankers continued to report that loan demand is weak. The exception to this is residential real estate loans, however, since most fixed rate mortgages are sold on the secondary market, the balance sheet impact of this activity is relatively small.

Weak loan demand combined with deposit disintermediatation as discussed

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[3]The FDIC Quarterly Banking Profile, Second Quarter, 1993

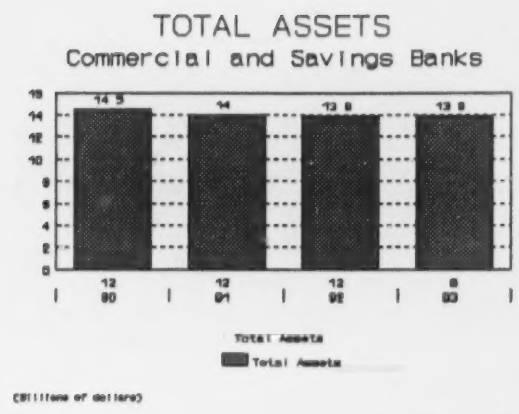



**Chart #10**

above is continuing to cause sluggishness in asset growth. As indicated by Chart #9, total assets for commercial and savings banks were $13.86 billion at 6/30/93 as compared to $13.95 billion at 12/31/92 and $13.73 billion at 6/30/92. While these statistics are an improvement over the $600 million of asset shrinkage from 6/91 to 6/92, no clear trend for resumed asset growth has been established. In summary, the industry's financial health is greatly improved with nonperforming assets returning to normal levels, but it remains an industry facing sluggish growth prospects.

The aforementioned quantitative results and trends also have impacted on more qualitative issues. As the industry's health has improved, the number of institutions under enforcement actions (Memoranda of Understanding or Cease and Desists Orders) have declined. At the date of our last report (January 15, 1993), there were 8 state-chartered institutions under enforcement actions. Over this past year, this number has been reduced to 6, and it is expected that 3-4 enforcement actions will be removed in the coming year.

Banks are responding to the deposit disintermediation discussed previously by offering mutual funds to its customers. In the case of larger, regional institutions, the bank may act as investment advisor to the funds, while smaller institutions are forming relationships with investment companies to offer their funds to the public. While there are few safety and soundness concerns associated with this activity, there

is concern for consumer safeguards and disclosure. Both state and federal regulators are developing regulations and/or policy statements governing this activity. (See Section III for further discussions.)

As the health of banking institutions improved, stock prices and access to capital markets has improved as well; this has also increased the level of merger and acquisition activity in the industry. During the past three years, such activity was primarily limited to the purchase and assumption of failed banks from the FDIC. This past year, mergers and consolidations among institutions without involvement of the FDIC has increased significantly. For example, Society Bancorp, Inc. of Cleveland and KeyCorp agreed to merge. Peoples Heritage Financial Group, Inc. (Portland, Maine), whose financial health has improved dramatically over the past 18 months, announced its would acquire Mid Maine Savings Bank (Auburn, Maine). It is anticipated that these transactions will be completed in 1994.

As supervisory concerns for the industry are abating, the challenge for the Bureau in the coming year will be to fully implement the alternating annual examination schedule mandated by the FDIC Improvement Act of 1991 and to minimize the regulatory burden on financial institutions while maintaining the quality of examinations. The transition to annual examinations during 1994, however, will not be without some burden on the industry. In order to prepare for the transition to annual examinations, the FDIC conducted numerous examinations of Maine banks in the 4th quarter of 1993. In some cases, the FDIC examined institutions which were examined only 4-6 months before by the Bureau of Banking in order begin 1994 in compliance with its examination mandate. Secondly, the FDIC conducted so many independent examinations in the 4th quarter of 1993 that it is

logistically impossible for the Bureau of Banking to examine these institutions in the 4th quarter of 1994; therefore, a few of these institutions will be examined in the 3rd quarter of 1994, 8-10 months from the date of the last examination as opposed to 12 months. While inconvenient to the industry, this is necessary so that intervals between examinations will be become more consistent in future periods.

*CREDIT UNIONS*

The state's credit union industry continues to grow at a faster rate than the banking industry. As the following table indicates, credit unions' marketshare as measured by total assets grew from 10.6% at 6/92 to 11.0% at 6/93. During 92-93, credit union assets grew approximately $90 million, or 5.1% increase as compared to a 1.3% increase for banks.

| **Period Ending** | 6/89 | 6/90 | 6/91 | 6/92 | 6/93 |
|---|---|---|---|---|---|
| **Credit Unions - Share of Maine Financial Institution Assets** | 8.3% | 8.7% | 9.6% | 10.6% | 11.0% |

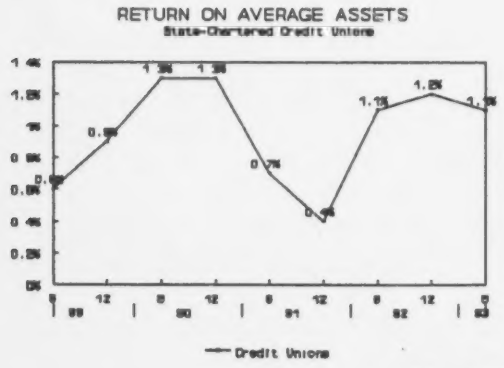



**Chart #11**

As with banks, ROA for state chartered credit unions has improved. Chart #11 depicts ROA for credit unions from 6/89 to 6/93. As indicated, ROA has stabilized at 1.1% - 1.2% for the last 3 semiannual reporting periods. Surplus levels have increased steadily since 6/89 to a level of 8.0% at 6/93. Past due

loans (60 or more days past due) are 1.6%, a low level which is comparable to the most recent prior periods.

A long-term trend of declining loan/share ratios may have abated this past year. As indicated by Chart #12, this ratio appears to have stabilized during this past year at the 55% level, but this remains well below historical standards for credit unions. It is premature, however, to draw any clear conclusions from this recent data, particularly considering the addition of two state-chartered credit unions at 6/93.

As stated in the Bureau's previous report, the reduction in loan/share ratios to levels more comparable to that of banks has certain implications for credit unions. In order to maintain interest margins, credit unions, historically very conservative investors of excess funds, are beginning to invest funds in securities with more interest rate and liquidity risk than before. The Bureau continues to emphasize the need for comprehensive investment and asset/liability management policies given the current environment. Secondly, the Bureau is also emphasizing the need, particularly in larger credit unions, to obtain investment advice from independent sources. The Bureau strongly believes it is prudent to obtain investment advice from an investment counselor retained exclusively for that purpose as opposed to relying on the advice of brokers, who have an interest in maintaining and/or increasing transaction volume and may be predisposed to recommend securities in inventory as opposed to securities more appropriate for the

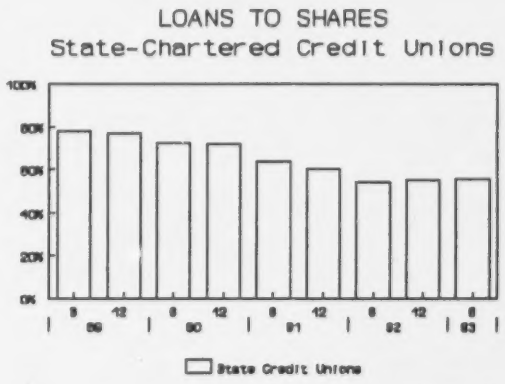



**Chart #12**

credit union.

During 1993, two federal credit unions, BIW Federal Credit Union and S.D. Warren Federal Credit Union converted to state charter. Both conversions were motivated by a desire to expand to a community-based chartered in view of the prospective downsizing of their corporate sponsors. The Bureau of Banking approved the conversion of a third credit union, Chestnut Federal Credit Union, in February 1993. The NCUA, however, failed to approve continuation of insurance for the credit union stating concerns regarding its ability to manage a rather limited increase in its field of membership. The Bureau considered the NCUA's position inappropriate under the circumstances. The NCUA, however, reconsidered, and approved the application in December.

Despite our differences regarding the conversion of Chestnut Credit Union, cooperation between the Bureau and the NCUA continued to improve. We are now doing joint reports of examination, and have developed a working model outlining our respective supervisory responsibilities for state-chartered credit unions.

## SECTION V

# REGULATORY OVERSIGHT OF MAINE'S FINANCIAL INSTITUTIONS

The dual banking system, that is, federal and state chartering and supervisory responsibility, has existed in the United States since the 1860's. Under this system, financial institutions in Maine, depending upon whether they are state or federally chartered, commercial bank, thrift institution, or credit union, member of the Federal Reserve System, etc., may come under the supervision of any number of state or federal regulatory agencies.

### *STATE REGULATORY AUTHORITIES*

The Bureau of Banking exists to supervise all financial institutions chartered by the State of Maine. It began as the Office of the Bank Commissioner in 1868, which employed a single examiner charged with the responsibility to conduct annual examinations of all Maine banks and insurance companies. At that time, there were over 70 savings banks with total assets of just over $16 million. Today, the Bureau of Banking is an agency within the Department of Professional & Financial Regulation. With a staff of 22 professionals and 3 secretaries, the Bureau supervises 47 financial institutions with over $12 billion in assets or over 70% of all banking assets in Maine.

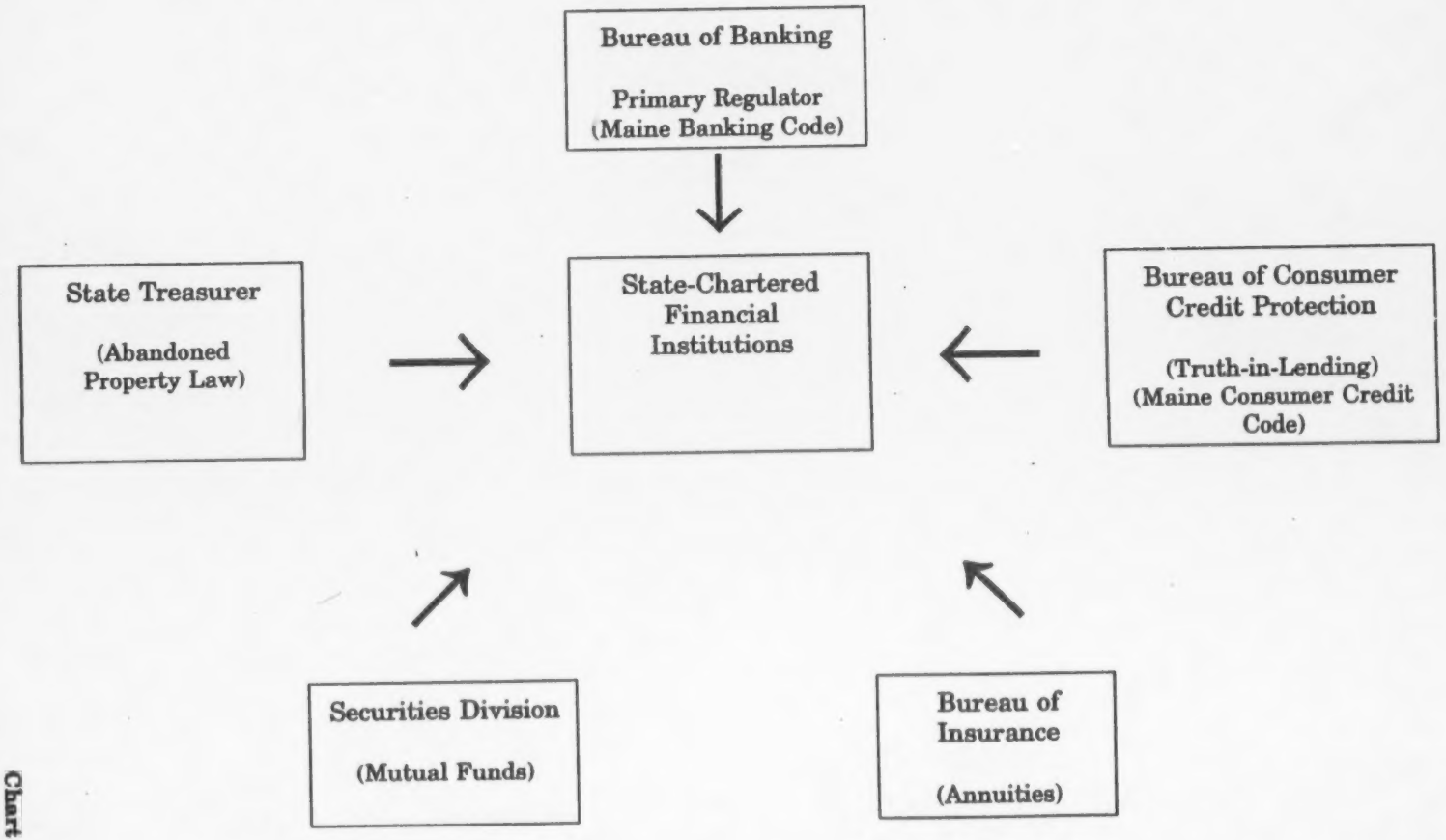
In addition to the Bureau of Banking, Maine's financial community is subject to the regulation of several other state agencies. The Bureau of Consumer Credit

Protection, which was established in January, 1975, enforces the Maine Consumer Credit Code and federal Regulation Z, or Truth in Lending law, in Maine. Through its enforcement of Regulation Z, the Bureau promotes the informed use of consumer credit by requiring lenders to provide certain disclosures about the cost and terms of credit. This regulation also gives consumers the right to rescind credit transactions that involve a lien on a consumer's principal dwelling, regulates certain credit card practices, and proves a means for fair and timely resolution of credit billing disputes. The Bureau of Consumer Credit Protection, with its examination staff of 5 field examiners and supervisory personnel, conducts regular annual on-site examinations of each state chartered financial institution and credit union.

The State Treasurer's Office enforces the Abandoned Property Law. This law is designed to protect the interests of the citizens of Maine who are owners of property that has been abandoned. State law requires that such property to escheated to the State Treasurer after 5 years of no contact with the owner. The Abandoned Property Division has a supervisor and 3 examiners who conduct on-site examinations of all financial institutions operating in Maine.

With many Maine financial institutions establishing programs that provide for the distribution of mutual funds and annuities on bank premises, both the Bureau of Banking's Securities Division and the Bureau of Insurance will also exercise oversight of the banking community as it relates to state licensing/statutory requirements in these areas. Chart #13 shows this scheme of state regulation of the Maine financial institutions.

## STATE STRUCTURE FOR SUPERVISING STATE-CHARTERED FINANCIAL INSTITUTIONS



## The Current Federal Structure for Supervising FDIC-Insured Depository Institutions and Their Holding Companies

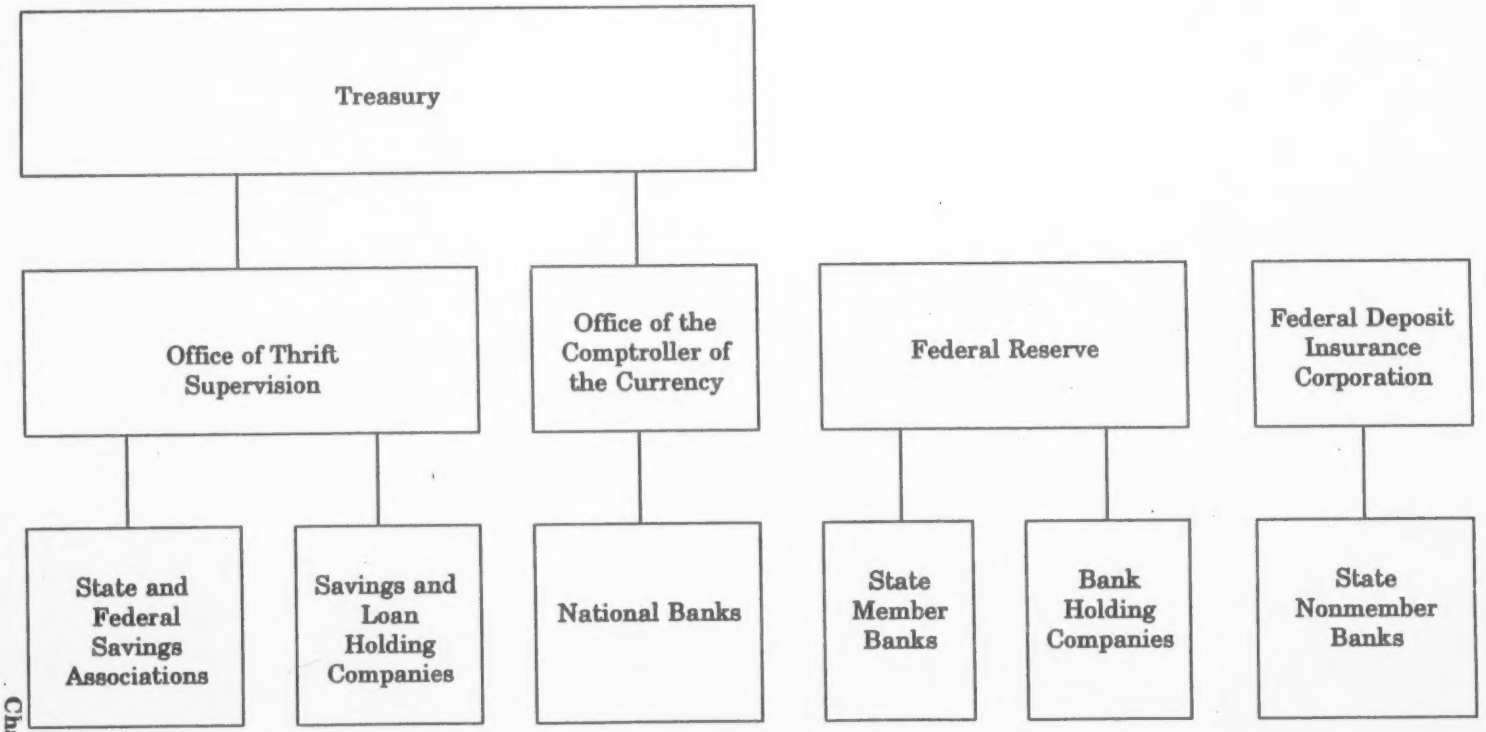



Chart #14

*FEDERAL REGULATORY AUTHORITIES*

Under the current federal regulatory scheme, and as mandated by State law, all Maine banks are insured and subject to the rules of the Federal Deposit Insurance Corporation. The Office of the Comptroller of the Currency charters and regulates national banks. The Federal Reserve Board, in addition to conducting monetary policy, regulates bank holding companies (companies that control banks) and state chartered banks that are members of the Federal Reserve System. Maine has three state-chartered banks that are members of the Federal Reserve System. The Office of Thrift Supervision charters and regulates federally chartered savings associations and also regulates savings and loan holding companies (companies that control savings and loans associations) and may administer rules governing the activities of state chartered savings and loan association. Chart #14 shows the present system for regulatory oversight of the banking industry.

In November, 1993, the Clinton Administration proposed a plan to consolidate all of the federal regulatory agencies. This proposal, which was similar to that previously presented by the Senate Banking Committee, would establish the Federal Banking Commission, an independent agency that would regulate all FDIC-insured financial institutions and their holding companies and other affiliates. The Commission would have five members: a Chairperson and two other members appointed by the President, the Secretary of the Treasurer (or his designee), and a member of the Federal Reserve Board. Under this plan, the FDIC would continue to insure deposits in all financial institutions and the Federal Reserve, as the nation's central bank, would continue to conduct monetary policy, administer the payment system, and provide liquidity to financial markets through the discount window. The

Federal Banking Commission would be the primary federal regulator of all federally chartered financial institutions and the FDIC or Federal Reserve would have access to all records of the Federal Banking Commission to carry would their respective responsibilities. Each state would remain the primary regulator of the banks that they charter, and the Federal Banking Commission would be required to use state examinations, as appropriate, in carrying out its oversight responsibilities.

Advocates of this federal regulatory restructuring plan recognize the current regulatory scheme as complex "patch quilt" system that has evolved in response to crises and changing financial needs since the Civil War. There have been at least nine proposals to consolidate federal financial institution regulation over the past 40+ years; while some pieces of these studies may have been implemented, there has yet to be any major alteration in the way the financial community is regulated. It is expected that, early next year, Congress will consider the consolidation proposal being advanced by the Clinton White House.

## SECTION VI

# CONSUMER OUTREACH PROGRAM

During the past fiscal year, the Bureau of Banking's Consumer Outreach Program has continued its mission of providing a place where Maine consumers can turn for complaint mediation and accurate financial information/education.

The primary function of Consumer Outreach is responding to consumer banking inquiries and complaints. During the most recently completed fiscal year, the Bureau mediated 307 complaints and affected restitution of $208,460 to Maine consumers. Some of the more prevalent issues Outreach mediated included mortgage refinancing complaints and tele-marketing fraud.

The Bureau received over 740 general inquiries about financial services and practices. Common themes include; funds availability on checks, banking fees and the financial stability of a bank or credit union. The increased visibility of the Bureau of Banking through its Outreach Program has affected an almost doubling of consumer inquiries since 1989.

Consumer Outreach also features an in-school seminar program for high school students. Topics such as checking and savings account management, used car buying, personal money management, establishing and maintaining credit and comparison shopping for loans are discussed. During the fiscal year, 83 schools were visited and 137 seminars delivered. Due to the Bureau's budgetary situation, this component of the Outreach Program has been reduced for the upcoming fiscal year.

Over 25,000 copies of the Bureau's four free booklets, "*A Consumer's Guide to*

*Understanding Mortgage Points and Other Settlement Costs*" (April 1988), "*A Student's Guide to Banking and Personal Money Management*" (January 1989), "*A Guide to the Maine Bureau of Banking's Consumer Outreach Program*" (September 1990) and "*A Consumer's Guide to Home Mortgage Financing in the 1990's*" (January 1991) were distributed to Maine consumers. A fifth booklet, "*A Businessperson's Guide to Banking in Maine*" has been completed but, due to budgetary constraints, will not be published until the next fiscal year.

Outreach also offers an extensive lending library of internally produced videotapes on banking/money management issues. The Bureau's four videos are "Applying for a Loan" (September 1989), "Adventures in Money Management" (November 1990), "Students Ask Questions" (November 1991), and "Students Ask Questions II" (September 1992). Maine high schools, middle schools and colleges requested over 300 free video rentals during the fiscal year.

Due to the dramatic increase in tele-marketing fraud complaints received by this office, Consumer Outreach, in coordination with WCSH-TV, produced a 30 second public service announcement warning consumer about the dangers of disclosing their checking account number to unknown telephone solicitors. This announcement was aired state-wide for several months. According to the Federal Trade Commission, tele-marketing fraud is a nationwide problem costing consumers an estimated 100 billion dollars a year.

## SECTION VII

# RESIDENTIAL MORTGAGE ACTIVITY

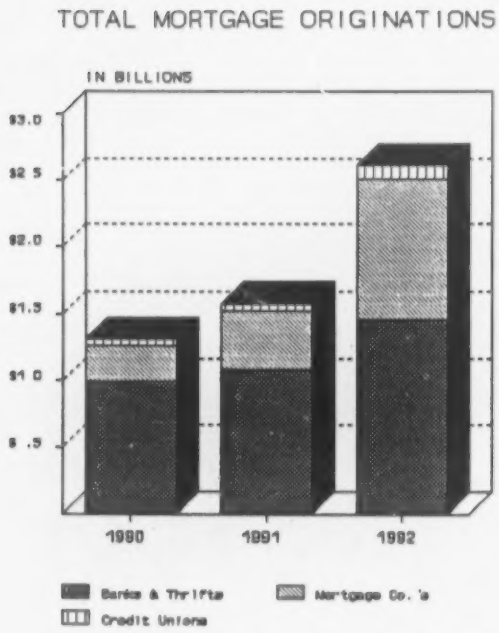



**Chart #15**

As 1992 interest rates approached a 20 year low and homeowners rushed to refinance their existing mortgages, total mortgage originations by all creditors in Maine grew dramatically to $2.6 billion in 1992 from $1.6 billion in 1991, a 66.6% increase. All creditors, banks and thrifts, mortgage companies, and credit unions reported large increases in the dollar volume of mortages written during the year. The Bureau has not collected information on the dollar volume of mortgages refinanced in the past (but is considering doing so in the future), therefore we are unable to determine the amount of refinances contained in the data above.

The largest growth in market share was experienced by mortgage companies to 40.1% in 1992, from 27.6% in 1991 and 20.7% in 1990. Conversely, banks and thrifts share of the market decreased to 55.8% in 1992, from 69.3% in 1991 and 75.9% in 1990.

Within the last few years Casco Bank, Fleet Bank, and Key Bank began

originating mortgages through holding company affiliated mortgage companies, as opposed to through the bank itself. While the mortgages originated by those 3 mortgage companies are included in total mortgage originations, market share data has become distorted. Maine credit unions' share of the market has remained relatively stable at 4.0% in 1992, 3.1% in 1991 and 3.4% in 1990.

Mortgage originations by Maine banks and thrifts increased to $1.5 billion during 1992, from $1.1 billion during 1991, a 34.1% increase. As can be seen from Chart #16, this growth was experienced equally in variable rate and fixed rate mortgages.

Additional information regarding mortgage originations and sales by Maine banks and thrifts is contained in Exhibit I.

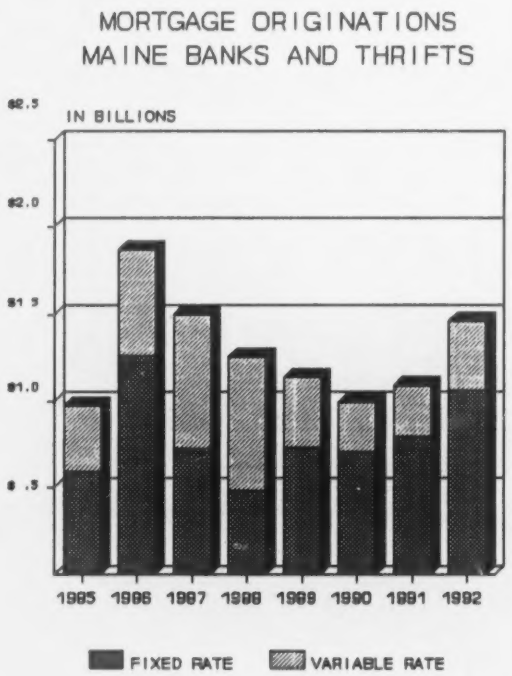



**Chart #16**

## HOME EQUITY LENDING

One of the fastest growing segments of consumer loans in Maine is the home equity line of credit. This loan product is usually an adjustable rate tied to an index, revolving type of credit which is secured by the equity in the borrower's personal residence. Chart #17 details the growth of home equity loans outstanding at Maine banks as $.6 billion at year-end 1989 to $ .7 billion at year-end 1992, a 31% increase. During the same time period, total commitments made by lenders to borrowers under home equity lines of credit grew to $1.3 billion from $ .9 billion, an overall growth of 44%.

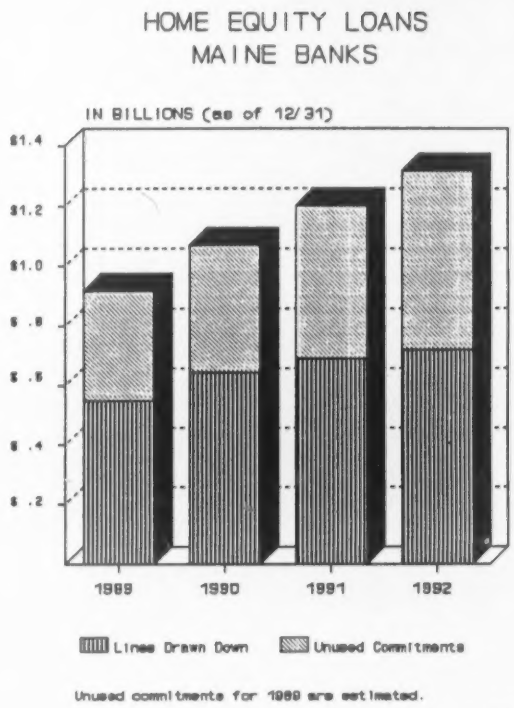



**Chart #17**

Home equity lines of credit are popular with consumers for several reasons: The Tax Reform Act of 1986 gradually reduced the amount of federal income tax deductions available to consumers for interest paid on consumer credit not secured by a mortgage; rates charged on home equity lines of credit tend to be much lower than those charged on other types of revolving credit, credit card loans, for example; the ease and convenience with which a consumer may access credit in an emergency, or for major costs associated with educational or medical expenses.

Concerned that consumers could lose their homes to foreclosure by imprudent spending of their home equity lines of credit, Congress passed the Home Equity Loan Consumer Protection Act in 1988 which mandates fair advertising of terms and comprehensive disclosure to consumers of the risks inherent in this product **prior** to the consummation of the loan agreement.

# APPENDIX

Exhibit I

# MORTGAGE ORIGINATIONS
## by Maine Banks & Thrifts

| | Year Ended 12/31/92 | | | Year Ended 12/31/91 | | |
|---|---|---|---|---|---|---|
| | Number | Amount (in 000's) | % Dollar Volume | Number | Amount (in 000's) | % Dollar Volume |
| MORTGAGES ORIGINATED: | | | | | | |
| Conventional | 20,871 | 1,434,838 | 98.3 | 14,858 | 1,034,020 | 95.1 |
| Insured | 329 | 24,183 | 1.7 | 774 | 53,829 | 4.9 |
| Total Mortgages Originated | 21,200 | 1,459,021 | 100.0 | 15,632 | 1,087,849 | 100.0 |
| Variable | 5,529 | 398,897 | 27.3 | 4,328 | 296,283 | 27.2 |
| Fixed | 15,671 | 1,060,124 | 72.7 | 11,304 | 791,566 | 72.8 |
| Total Mortgages Originated | 21,200 | 1,459,021 | 100.0 | 15,632 | 1,087,849 | 100.0 |
| Breakdown of Originations by Affiliation: | | | | | | |
| Banks with in-state ownership: | | | | | | |
| Conventional | 19,695 | 1,315,780 | 98.2 | 10,811 | 688,238 | 96.3 |
| Insured | 329 | 24,183 | 1.8 | 376 | 26,660 | 3.7 |
| Total Mortgages Originated | 20,024 | 1,339,963 | 100.0 | 11,187 | 714,898 | 100.0 |
| Variable Rate | 5,350 | 375,321 | 28.0 | 4,102 | 266,686 | 37.3 |
| Fixed Rate | 14,674 | 964,642 | 72.0 | 7,085 | 448,212 | 62.7 |
| Total Mortgages Originated | 20,024 | 1,339,963 | 100.0 | 11,187 | 714,898 | 100.0 |
| Banks with out-of-state ownership: | | | | | | |
| Conventional | 1,176 | 119,058 | 100.0 | 4,047 | 345,782 | 92.7 |
| Insured | | | | 398 | 27,169 | 7.3 |
| Total Mortgages Originated | 1,176 | 119,058 | 100.0 | 4,445 | 372,951 | 100.0 |
| Variable rate | 179 | 23,576 | 19.8 | 226 | 29,597 | 7.9 |
| Fixed rate | 997 | 95,482 | 80.2 | 4,219 | 343,354 | 92.1 |
| Total Mortgages Originated | 1,176 | 119,058 | 100.0 | 4,445 | 372,951 | 100.0 |

Exhibit I
(continued)

# MORTGAGES SOLD ON SECONDARY MARKET by Maine Banks & Thrifts

| | Year Ended 12/31/92 | | | Year Ended 12/31/91 | | |
|---|---|---|---|---|---|---|
| MORTGAGES SOLD: | Number | Amount (in 000's) | % Dollar Volume | Number | Amount (in 000's) | % Dollar Volume |
| Current Year Origination | 8,585 | 626,058 | 86.2 | 5,661 | 427,447 | 84.0 |
| Seasoned (1 year or more) | 1,040 | 99,965 | 13.8 | 940 | 81,350 | 16.0 |
| Total Mortgages Sold | 9,625 | 726,023 | 100.0 | 6,601 | 508,797 | 100.0 |
| Variable Rate | 1,339 | 116,774 | 16.1 | 226 | 20,808 | 4.1 |
| Fixed Rate | 8,286 | 609,249 | 83.9 | 6,375 | 487,989 | 95.9 |
| Total Mortgages Sold | 9,625 | 726,023 | 100.0 | 6,601 | 508,797 | 100.0 |
| Servicing Retained | 8,882 | 661,874 | 91.2 | 3,931 | 306,768 | 60.3 |
| Servicing Released | 743 | 64,149 | 8.8 | 2,670 | 202,029 | 39.7 |
| Total Mortgages Sold | 9,625 | 726,023 | 100.0 | 6,601 | 508,797 | 100.0 |
| Breakdown of Sales by Affiliation: | | | | | | |
| Banks with in-state ownership: | | | | | | |
| Current Year Origination | 7,487 | 538,785 | 96.1 | 2,804 | 202,428 | 84.3 |
| Seasoned (1 year or more) | 277 | 21,977 | 3.9 | 485 | 37,730 | 15.7 |
| Total Mortgages Sold | 7,764 | 560,762 | 100.0 | 3,289 | 240,158 | 100.0 |
| Variable Rate | 785 | 69,368 | 12.4 | 190 | 17,237 | 7.2 |
| Fixed Rate | 6,979 | 491,394 | 87.6 | 3,099 | 222,921 | 92.8 |
| Total Mortgages Sold | 7,764 | 560,762 | 100.0 | 3,289 | 240,158 | 100.0 |
| Servicing Retained | 7,120 | 501,353 | 89.4 | 3,015 | 219,954 | 91.6 |
| Servicing Released | 644 | 59,409 | 10.6 | 274 | 20,204 | 8.4 |
| Total Mortgages Sold | 7,764 | 560,762 | 100.0 | 3,289 | 240,158 | 100.0 |
| Banks with out-of-state ownership: | | | | | | |
| Current Year Origination | 1,098 | 87,273 | 52.8 | 2,857 | 225,019 | 83.8 |
| Seasoned (1 year or more) | 763 | 77,988 | 47.2 | 455 | 43,620 | 16.2 |
| Total Mortgages Sold | 1,861 | 165,261 | 100.0 | 3,312 | 268,639 | 100.0 |
| Variable Rate | 554 | 47,406 | 28.7 | 36 | 3,571 | 1.3 |
| Fixed Rate | 1,307 | 117,855 | 71.3 | 3,276 | 265,068 | 98.7 |
| Total Mortgages Sold | 1,861 | 165,261 | 100.0 | 3,312 | 268,639 | 100.0 |
| Servicing Retained | 1,762 | 160,521 | 97.1 | 916 | 86,814 | 32.3 |
| Servicing Released | 99 | 4,740 | 2.9 | 2,396 | 181,825 | 67.7 |
| Total Mortgages Sold | 1,861 | 165,261 | 100.0 | 3,312 | 268,639 | 100.0 |

Exhibit II

## SUMMARY OF NET NEW FUNDS
## (in thousands)

| | 6-30-93 | 6-30-92 | Difference | % Change |
|---|---|---|---|---|
| Total Loans | 4,524 | 4,664 | -141 | -3.0 |
| Total Investments | 1,443 | 1,358 | 86 | 6.3 |
| Federal Funds and Repos | 63 | 37 | 26 | 70.3 |
| Other Earning Assets | 15 | 48 | -33 | -68.8 |
| Total Earning Assets | 6,045 | 6,108 | -63 | -1.0 |
| Total Adjustments | 2,061 | 1,851 | 210 | 11.3 |
| Maine Assets | 3,984 | 4,257 | -272 | -6.4 |
| Net Maine Assets | 327 | 309 | 17 | 5.5 |
| Adjusted Maine Assets | 4,311 | 4,566 | -255 | -5.6 |
| Total Deposits | 5,219 | 5,722 | -503 | -8.8 |
| Total Non-Parent Borrowings | 1,064 | 822 | 242 | 29.4 |
| Total Parent Borrowings | 15 | 3 | 12 | 400.0 |
| Total Capital Funds | 522 | 472 | 50 | 10.6 |
| Total Funding | 6,819 | 7,018 | -199 | -2.8 |
| Non-Maine Funding | 946 | 945 | 1 | .1 |
| Maine Funds | 5,873 | 6,073 | -199 | -3.3 |
| Adjusted Maine Assets To Maine Funds | 73.40% | 75.19% | | |

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# INTERSTATE ACQUISITIONS/ESTABLISHMENTS BY OUT-OF STATE COMPANIES

| Date Acquired | Maine Financial Institution or Holding Company | Acquiror | Capital Injected (Thousands) |
|---|---|---|---|
| 6-01-83 | Northeast Bankshare Assn., Portland, ME | Norstar Bancorp, Inc.[4] Albany, NY | $ 2,500 |
| 2-29-84 | Depositors Corp. Augusta, ME | KeyCorp Albany, NY | 5,000 |
| 3-30-84 | Casco Northern Corp. Portland, ME | Bank of Boston Corp. Boston, MA | 60,500 |
| 9-10-84 | Citibank (Maine), N.A. South Portland, ME | de novo bank formed by Citicorp, New York, NY | 22,697 |
| 3-17-86 | Merrill Bankshares Company, Bangor, ME | Fleet Financial Group Providence, RI | 2,250 |
| 2-1-91 | Maine Savings Bank Portland, ME | Fleet Bank of Maine Portland, ME | 35,000 |
| 7-14-91 | New Maine National Bank Portland, ME | Fleet Bank of Maine Portland, ME | 40,000 |
| | | Total Capital Injected | $ 167,947 |

[4]Norstar Bancorp merged with Fleet Financial Group effective 1-1-88.

# INTERSTATE ACQUISITIONS BY MAINE FINANCIAL INSTITUTIONS OR FINANCIAL INSTITUTION HOLDING COMPANIES

| Date Acquired | Maine Financial Institution or Holding Company | Acquisition |
|---|---|---|
| 1-4-89 | Mid Maine Savings Bank, FSB Auburn, ME | Hampton Cooperative Bank, Hampton, NH |
| 7-31-89 | Peoples Heritage Financial Group, Inc., Portland, ME | First Coastal Banks Inc., Portsmouth, NH |

# MAINE FINANCIAL INSTITUTION HOLDING COMPANIES WITH OUT-OF-STATE OWNERSHIP (in thousands)

| | 6-30-93 Deposits | 6-30-92 Deposits | 6-30-93 Loans | 6-30-92 Loans |
|---|---|---|---|---|
| Bank of Boston, Boston, MA<br>Casco Northern Corp.<br>Casco Northern Bank, N.A. | $947,994 | $986,893 | $895,599 | $895,798 |
| Citicorp, New York., NY<br>Citicorp (Maine)<br>Citibank (Maine), N.A. | 224,761 | 242,511 | 252,291 | 278,876 |
| Fleet Financial Group, Providence, R.I.<br>Merrill/Norstar Bankshare Assn.<br>Fleet Bank of Maine | 2,160,102 | 2,594,520 | 1,726,377 | 1,950,287 |
| KeyCorp, Albany, NY<br>Key Bancshares of Maine<br>Key Bank of Maine | 1,887,734 | 1,898,327 | 1,800,480 | 1,706,116 |
| **Total Out-of-State Owned Holding Companies** | **$5,220,591** | **$5,722,251** | **$4,674,747** | **$4,831,077** |

## MAINE FINANCIAL INSTITUTION HOLDING COMPANIES WITH IN-STATE OWNERSHIP
## (in thousands)

| | 6-30-93 Deposits | 6-30-92 Deposits | 6-30-93 Loans | 6-30-92 Loans |
|---|---|---|---|---|
| Bar Harbor Bankshares | | | | |
| Bar Harbor Banking and Trust Company | $186,913 | $185,191 | $154,218 | $150,261 |
| Bethel Bancorp | | | | |
| Bethel Savings Bank, FSB | 61,674 | 62,137 | 83,625 | 76,029 |
| Brunswick Federal Savings,F.A. | 60,773 | 59,072 | 70,724 | 65,838 |
| Border Bankshares | | | | |
| Border Trust Company | 40,894 | 37,241 | 29,804 | 30,854 |
| Camden National Corporation | | | | |
| Camden National Bank | 287,657 | 273,791 | 185,455 | 183,287 |
| Damariscotta Bankshares | | | | |
| Damariscotta Bank & Trust Company | 44,309 | 44,950 | 31,084 | 29,119 |
| First Coastal Corporation | | | | |
| Coastal Bancorp | | | | |
| Coastal Savings Bank | 146,232 | 160,044 | 135,171 | 165,373 |
| First National Lincoln Corporation | | | | |
| First National Bank of Damariscotta | 151,103 | 155,372 | 108,556 | 105,606 |
| FNB Bankshares | | | | |
| First National Bank of Bar Harbor | 85,702 | 82,406 | 78,290 | 75,532 |
| Katahdin Bankshares | | | | |
| Katahdin Trust Company | 85,788 | 85,180 | 69,594 | 71,390 |
| KSB Bancorp, Inc.[5] | | | | |
| Kingfield Savings Bank | 45,101 | 40,839 | 39,902 | 30,236 |
| Livermore Bankshares | | | | |
| Livermore Falls Trust Company | 52,934 | 51,756 | 38,276 | 34,779 |
| Merrill Merchants Bancshares, Inc.[6] | | | | |
| Merrill Merchants Bank | 68,037 | N/A | 48,396 | N/A |

[5] KSB Bancorp, Inc. was formed in June 1993.

[6] Merrill Merchants Bancshares, Inc. was formed in September 1992 and Merrill Merchants Bank opened for business in 10/92.

# MAINE FINANCIAL INSTITUTION HOLDING COMPANIES WITH IN-STATE OWNERSHIP (in thousands)

| | 6-30-93 Deposits | 6-30-92 Deposits | 6-30-93 Loans | 6-30-92 Loans |
|---|---|---|---|---|
| Mid-Coast Bancorp | | | | |
| Waldoboro Bank, FSB | 36,772 | 38,901 | 41,359 | 34,862 |
| Ocean National Corporation | | | | |
| The Ocean National Bank of Kennebunk | 109,046 | 106,185 | 80,584 | 78,429 |
| Peoples Heritage Financial Group, Inc. | | | | |
| Peoples Heritage Savings Bank | 1,637,031 | 1,712,972 | 1,644,698 | 1,563,147 |
| Oxford Bank & Trust[7] | | 57,843 | | 55,111 |
| Union Bankshares Company | | | | |
| Union Trust Company of Ellsworth | 150,676 | 150,167 | 83,699 | 94,138 |
| United Corp. | | | | |
| United Bank | 39,782 | 38,038 | 33,170 | 27,735 |
| **Total In-State Owned Holding Companies** | **$3,290,424** | **$3,342,085** | **$2,956,605** | **$2,871,726** |

[7] Oxford Bank & Trust merged with Peoples Heritage Savings Bank effective 3/31/93.

Exhibit IV
(Continued)

## SUMMARY OF MAINE FINANCIAL INSTITUTION HOLDING COMPANIES (in thousands)

| | 6-30-93 Deposits | 6-30-92 Deposits | 6-30-93 Loans | 6-30-92 Loans |
|---|---|---|---|---|
| Out-of-State Owned Holding Companies | $5,220,591 | $5,722,251 | $4,674,747 | $4,831,077 |
| In-State Owned Holding Companies | 3,290,424 | 3,342,085 | 2,956,605 | 2,871,726 |
| Other In-State Financial Institutions: | | | | |
| All Other Commercial Banks | 157,020 | 112,181 | 115,933 | 71,768 |
| All Other Savings Banks and Savings and Loan Associations | 3,298,864 | 3,180,165 | 2,639,817 | 2,476,464 |
| All Credit Unions | 1,681,306 | 1,614,374 | 1,050,673 | 953,491 |
| **TOTAL MAINE FINANCIAL INSTITUTIONS[6]** | **$13,648,205** | **$13,971,056** | **$11,437,775** | **$11,204,526** |

[6] Prior year data have been adjusted to reflect those financial institutions that moved from one category to another.

# SUMMARY OF MAINE FINANCIAL INSTITUTIONS

## JUNE 30, 1993

| DEPOSITS | No. | Dollars (000's) | % of Total | ASSETS Dollars (000's) | % of Total |
|---|---|---|---|---|---|
| Trust Companies | 14 | 6,449,042 | 38.6 | 4,874,189 | 35.7 |
| National Banks | 6 | 2,106,770 | 12.6 | 1,806,263 | 13.2 |
| State Savings Banks | 17 | 5,306,024 | 31.8 | 4,439,902 | 32.5 |
| Federal Savings Banks | 6 | 627,392 | 3.8 | 528,011 | 3.9 |
| State Savings and Loans | 4 | 115,345 | .7 | 101,817 | .8 |
| Federal Savings and Loans | 5 | 258,475 | 1.5 | 216,717 | 1.6 |
| State Credit Unions | 10 | 359,807 | 2.1 | 331,753 | 2.4 |
| Federal Credit Unions | 91 | 1,478,669 | 8.9 | 1,349,553 | 9.9 |
| TOTAL | 153 | 16,701,524 | 100.0 | 13,648,205 | 100.0 |
| Commercial Banks | 20 | 8,555,812 | 51.2 | 6,680,452 | 49.0 |
| Thrifts | 32 | 6,307,236 | 37.8 | 5,286,447 | 38.7 |
| Credit Unions | 101 | 1,838,476 | 11.0 | 1,681,306 | 12.3 |
| TOTAL | 153 | 16,701,524 | 100.0 | 13,648,205 | 100.0 |
| State-Chartered | 45 | 12,230,218 | 73.2 | 9,747,661 | 71.4 |
| Federally Chartered | 108 | 4,471,306 | 26.8 | 3,900,544 | 28.6 |
| TOTAL | 153 | 16,701,524 | 100.0 | 13,648,205 | 100.0 |
| In-State Ownership | 149 | 9,865,303 | 59.1 | 8,427,614 | 61.7 |
| Out-of-State Ownership | 4 | 6,836,221 | 40.9 | 5,220,591 | 38.3 |
| TOTAL | 153 | 16,701,524 | 100.0 | 13,648,205 | 100.00 |

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Exhibit VI

## ASSET/DEPOSIT/LOAN DISTRIBUTION BY FACILITY TYPE

December 31, ____
(000's omitted)

| | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 |
|---|---|---|---|---|---|---|---|---|
| **State-Chartered** | | | | | | | | |
| **Trust Companies** | 17 | 15 | 16 | 12 | 13 | 14 | 15 | 15 |
| Branches | 204 | 209 | 218 | 216 | 209 | 205 | 258 | 244 |
| Assets | 2,924,859 | 3,363,673 | 3,708,220 | 4,126,401 | 4,274,307 | 4,524,549 | 6,581,755 | 6,607,111 |
| Deposits | 2,424,059 | 2,840,392 | 3,107,117 | 3,297,184 | 3,580,638 | 3,720,234 | 5,530,272 | 5,214,182 |
| Loans | 1,791,085 | 2,136,035 | 2,504,138 | 2,942,453 | 3,121,825 | 3,202,384 | 4,316,712 | 4,196,819 |
| **National Banks** | 8 | 7 | 7 | 7 | 7 | 7 | 6 | 6 |
| Branches | 110 | 115 | 120 | 121 | 118 | 117 | 60 | 60 |
| Assets | 2,269,427 | 2,739,836 | 3,099,126 | 3,603,057 | 3,930,191 | 3,649,933 | 2,247,183 | 2,173,511 |
| Deposits | 1,941,602 | 2,375,046 | 2,644,739 | 3,134,128 | 3,382,105 | 3,170,351 | 1,856,364 | 1,911,452 |
| Loans | 1,496,641 | 1,886,768 | 2,338,898 | 2,789,828 | 2,928,147 | 2,644,703 | 1,640,413 | 1,542,736 |
| **State-Chartered** | | | | | | | | |
| **Savings Banks** | 19 | 18 | 18 | 18 | 18 | 18 | 17 | 17 |
| Branches | 118 | 117 | 125 | 127 | 135 | 140 | 117 | 118 |
| Assets | 4,117,423 | 4,780,737 | 5,552,659 | 6,375,435 | 6,678,896 | 6,344,802 | 5,175,919 | 5,161,431 |
| Deposits | 3,650,885 | 3,938,694 | 4,379,270 | 5,181,206 | 5,536,288 | 5,568,885 | 4,478,844 | 4,389,135 |
| Loans | 2,716,207 | 3,221,539 | 3,989,369 | 4,820,442 | 4,997,360 | 4,579,735 | 3,702,408 | 3,713,054 |

Exhibit VI
(Continued)

## ASSET/DEPOSIT/LOAN DISTRIBUTION BY FACILITY TYPE

December 31, ____
(000's omitted)

| | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 |
|---|---|---|---|---|---|---|---|---|
| **Federal Savings Banks** | 5 | 6 | 6 | 6 | 6 | 7 | 6 | 6 |
| Branches | 10 | 13 | 14 | 14 | 14 | 15 | 14 | 15 |
| Assets | 282,868 | 420,403 | 448,401 | 445,058 | 523,391 | 606,665 | 590,111 | 570,790 |
| Deposits | 248,686 | 343,775 | 365,254 | 398,067 | 407,733 | 512,662 | 491,009 | 459,853 |
| Loans | 192,311 | 280,889 | 332,751 | 391,294 | 403,023 | 476,150 | 469,096 | 478,939 |
| **State Savings & Loan Associations** | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Branches | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assets | 75,862 | 83,780 | 87,154 | 91,620 | 94,355 | 96,896 | 105,668 | 112,634 |
| Deposits | 67,296 | 74,708 | 77,375 | 81,183 | 83,496 | 84,912 | 94,782 | 99,491 |
| Loans | 57,802 | 62,153 | 68,278 | 75,068 | 74,977 | 76,396 | 77,498 | 82,872 |
| **Federal Savings & Loan Associations** | 7 | 7 | 7 | 7 | 7 | 5 | 5 | 5 |
| Branches | 13 | 15 | 16 | 16 | 15 | 4 | 4 | 4 |
| Assets | 509,664 | 852,105 | 1,109,897 | 777,466 | 331,514 | 227,081 | 240,319 | 255,334 |
| Deposits | 404,943 | 577,289 | 545,266 | 741,231 | 585,622 | 202,413 | 211,129 | 216,989 |
| Loans | 314,451 | 459,099 | 263,534 | 341,465 | 302,046 | 191,368 | 195,484 | 201,565 |

Exhibit VI
(Continued)

## ASSET/DEPOSIT/LOAN DISTRIBUTION BY FACILITY TYPE

December 31, ____
(000's omitted)

| | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 |
|---|---|---|---|---|---|---|---|---|
| **State-Chartered Credit Unions** | 18 | 16 | 15 | 14 | 14 | 14 | 10 | 10 |
| Branches | 3 | 3 | 4 | 3 | 3 | 2 | 2 | 2 |
| Assets | 133,053 | 168,746 | 189,681 | 205,640 | 212,345 | 235,420 | 250,791 | 273,794 |
| Shares | 122,990 | 156,282 | 178,113 | 191,316 | 199,526 | 218,655 | 233,162 | 251,894 |
| Loans | 84,555 | 97,986 | 119,204 | 137,787 | 154,133 | 157,681 | 140,275 | 133,706 |
| **Federal Credit Unions** | | | | | | | | |
| **Credit Unions** | 118 | 111 | 104 | 103 | 102 | 100 | 99 | 95 |
| Branches | 5 | 7 | 17 | 16 | 17 | 20 | 20 | 20 |
| Assets | 758,166 | 952,033 | 1,066,612 | 1,170,351 | 1,171,111 | 1,310,244 | 1,390,219 | 1,508,901 |
| Shares | 696,436 | 881,011 | 992,160 | 1,054,710 | 1,080,549 | 1,197,571 | 1,281,208 | 1,380,767 |
| Loans | 476,236 | 534,160 | 664,515 | 806,215 | 836,756 | 857,802 | 821,046 | 852,719 |
| **Totals:** | | | | | | | | |
| **Financial Institutions** | 196 | 184 | 177 | 171 | 171 | 169 | 162 | 158 |
| **Branches** | 463 | 479 | 514 | 513 | 511 | 503 | 475 | 463 |
| **Assets** | 11,071,322 | 13,361,313 | 15,261,750 | 16,795,028 | 17,216,110 | 16,995,590 | 16,581,965 | 16,663,506 |
| **Shares & Deposits** | 9,556,897 | 11,187,197 | 12,289,294 | 14,079,025 | 14,855,957 | 14,675,683 | 14,176,770 | 13,923,763 |
| **Loans** | 7,129,288 | 8,678,629 | 10,280,687 | 12,304,552 | 12,818,267 | 12,186,219 | 11,362,932 | 11,202,410 |

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Exhibit VII

**MAINE**
**STATE CHARTERED**
**TRUST COMPANIES**

| | June 30, 1993 (In thousands) | | |
|---|---|---|---|
| | Assets | Deposits | Loans |
| John P. Reeves, President<br>**BAR HARBOR BANKING AND TRUST COMPANY**<br>Bar Harbor, Maine 04609 | $ 250,900 | $ 186,913 | $ 154,218 |
| Edwin Harvey, President<br>**BORDER TRUST COMPANY**<br>P.O. Box 400<br>Jackman, Maine 04945 | 44,736 | 40,894 | 29,804 |
| Ronald W. Smith, President<br>**CUSHNOC BANK AND TRUST**<br>1 Bangor Street<br>P.O. Box 68<br>Augusta, ME 04332-0068 | 19,321 | 16,514 | 13,829 |
| William H. Dunlavey, President<br>**DAMARISCOTTA BANK & TRUST**<br>Main Street<br>Damariscotta, Maine 04543 | 51,440 | 44,309 | 31,084 |
| David I. Dorsey, President<br>**FIRST CITIZENS BANK & TRUST**<br>P.O. Box 231<br>Presque Isle, ME 04769 | 53,557 | 48,123 | 41,485 |
| Anne Szostak, President<br>**FLEET BANK OF MAINE**<br>One City Center<br>Portland, Maine 04112 | 3,053,471 | 2,160,102 | 1,726,377 |
| Steven L. Richardson, President<br>**KATAHDIN TRUST COMPANY**<br>Main Street<br>Patten, Maine 04765 | 92,773 | 85,788 | 69,594 |
| Richard Molyneux, President<br>**KEY BANK OF MAINE**<br>One Canal Plaza<br>Portland, Maine 04112 | 2,416,782 | 1,887,734 | 1,800,480 |

| | June 30, 1993 (In thousands) Assets | Deposits | Loans |
|---|---|---|---|
| L. Gary Knight, President<br>**LIVERMORE FALLS TRUST COMPANY**<br>638 Main Street<br>Livermore Falls, Maine 04254 | $ 59,666 | $ 52,934 | $ 38,276 |
| Wayne McGarvey, President<br>**MAINE BANK & TRUST COMPANY**<br>P. O. Box 619<br>Portland, Maine 04104 | 77,565 | 66,831 | 40,131 |
| Edwin Clift, President<br>**MERRILL MERCHANTS BANK**<br>201 Main St., P.O. Box 925<br>Bangor, Maine 04402-0925 | 83,296 | 68,037 | 48,396 |
| President<br>**PEPPERELL TRUST COMPANY**<br>163 Main Street<br>Biddeford, Maine 04005 | 26,735 | 25,552 | 20,488 |
| Robert S. Boit, President<br>**UNION TRUST COMPANY**<br>P.O. Box 479<br>66 Main Street<br>Ellsworth, Maine 04605 | 170,723 | 150,676 | 83,699 |
| Bruce D. Bartlett, President<br>**UNITED BANK**<br>2 Hammond Street<br>Bangor, Maine 04401 | 48,077 | 39,782 | 33,170 |
| **TOTAL: 14** | **$6,449,042** | **$4,874,189** | **$4,131,031** |

## MAINE
## STATE CHARTERED
## SAVINGS BANKS

| | June 30, 1993 (In thousands) Assets | Deposits | Loans |
|---|---|---|---|
| Steven A. Closson, President<br>**ANDROSCOGGIN SAVINGS BANK**<br>P.O. Box 1407<br>30 Lisbon Street<br>Lewiston, Maine 04240 | $ 228,210 | $ 195,717 | $ 81,388 |
| Malcolm E. Jones, President<br>**BANGOR SAVINGS BANK**<br>P.O. Box 656<br>3 State Street<br>Bangor, Maine 04401 | 641,290 | 562,137 | 496,131 |
| P. James Dowe, Jr., President<br>**BATH SAVINGS INSTITUTION**<br>P.O. Box 548<br>105 Front Street<br>Bath, Maine 04530 | 118,151 | 105,863 | 77,034 |
| William J. Denyer, President<br>**BIDDEFORD SAVINGS BANK**<br>254 Main Street<br>Biddeford, Maine 04005 | 118,414 | 104,601 | 73,221 |
| James H. Whittaker, President<br>**COASTAL SAVINGS BANK**<br>2 City Center<br>Portland, Maine 04112 | 181,390 | 146,232 | 135,171 |
| Gary M. Downs, President<br>**FRANKLIN SAVINGS BANK**<br>P.O. Box 825<br>81 Main Street<br>Farmington, Maine 04938 | 206,535 | 180,741 | 140,564 |
| Ronald B. Demers, President<br>**GORHAM SAVINGS BANK**<br>P.O. Box 38<br>64 Main Street<br>Gorham, Maine 04038 | 255,087 | 228,665 | 178,958 |

Exhibit VII
(Continued)

| | June 30, 1993 (In thousands) Assets | Deposits | Loans |
|---|---|---|---|
| William H. Pelletier, President<br>**KENNEBEC SAVINGS BANK**<br>P.O. Box 108<br>150 State Street<br>Augusta, Maine 04330 | $ 156,549 | $ 135,962 | $ 111,554 |
| Joel Stevens, President<br>**KENNEBUNK SAVINGS BANK**<br>104 Main Street<br>Kennebunk, Maine 04043 | 189,765 | 171,201 | 106,480 |
| John C. Witherspoon, President<br>**KINGFIELD SAVINGS BANK**<br>P.O. Box 105<br>Main Street<br>Kingfield, Maine 04947 | 59,279 | 45,101 | 39,902 |
| Edward L. Hennessey, Jr., President<br>**MACHIAS SAVINGS BANK**<br>P.O. Box 3184<br>Center Street<br>Machias, Maine 04654 | 192,558 | 163,036 | 156,933 |
| John Kannageiser, President<br>**MECHANICS' SAVINGS BANK**<br>100 Minot Avenue<br>Auburn, Maine 04210 | 83,307 | 73,349 | 55,810 |
| Peter Montpelier, President<br>**NORWAY SAVINGS BANK**<br>132 Main Street<br>Norway, Maine 04268 | 244,082 | 203,135 | 168,847 |
| William J. Ryan, President<br>**PEOPLES HERITAGE SAVINGS BANK**<br>P.O. Box 1200<br>481 Congress Street<br>Portland, Maine 04111 | 2,057,563 | 1,637,031 | 1,644,698 |
| Kevin P. Savage, CEO<br>**SACO AND BIDDEFORD SAVINGS INSTITUTION**<br>252 Main Street<br>Saco, Maine 04072 | 201,484 | 176,136 | 138,428 |

Exhibit VII
(Continued)

| | June 30, 1993 (In thousands) Assets | Deposits | Loans |
|---|---|---|---|
| Rodney Normand, President<br>**SANFORD INSTITUTION FOR SAVINGS**<br>184 Main Street<br>Sanford, Maine 04073 | $ 134,032 | $ 99,098 | $ 69,536 |
| Alton D. Powers, President<br>**SKOWHEGAN SAVINGS BANK**<br>P.O. Box 250<br>7 Elm Street<br>Skowhegan, Maine 04976 | 238,328 | 211,897 | 171,147 |
| **TOTAL: 17** | **$5,306,024** | **$4,439,902** | **$3,845,802** |

## MAINE
## STATE CHARTERED
## SAVINGS AND LOAN ASSOCIATIONS

| | June 30, 1993 (In thousands) Assets | Deposits | Loans |
|---|---|---|---|
| August M. Berta, President<br>**AUBURN SAVINGS AND LOAN ASSOCIATION**<br>P.O. Box 3157<br>256 Court Street<br>Auburn, Maine 04210 | $ 22,994 | $ 19,972 | $ 15,360 |
| Norman P. Shaw, Secretary/Treasurer<br>**BAR HARBOR SAVINGS AND LOAN ASSOCIATION**<br>Main Street<br>Bar Harbor, Maine 04609 | 11,688 | 9,590 | 10,728 |
| Floyd A. Johnson, President<br>**ROCKLAND SAVINGS AND LOAN ASSOCIATION**<br>22 School Street<br>Rockland, Maine 04841 | 43,918 | 39,746 | 34,131 |
| Dennis W. Matthews, President<br>**WATERVILLE SAVINGS AND LOAN ASSOCIATION**<br>Corner North and Main Streets<br>Waterville, Maine 04901 | 36,745 | 32,509 | 24,793 |
| **TOTAL: 4** | **$115,345** | **101,817** | **$85,012** |

Exhibit VII
(Continued)

**MAINE**
**STATE CHARTERED**
**CREDIT UNIONS**

**June 30, 1993**
**(In thousands)**

| | Assets | Deposits | Loans |
|---|---|---|---|
| **BURNHAM & MORRILL EMPLOYEES CREDIT UNION**<br>One Bean Pot Circle<br>P.O. Box 1871<br>Portland, Maine 04103 | $ 1,139 | $ 1,078 | $ 736 |
| **BIW FIVE COUNTY CREDIT UNION**<br>765 Washington St., PO Box 598<br>Bath, Maine 04530 | 35,125 | 32,806 | 22,035 |
| **COMMUNITY CREDIT UNION**<br>Pine Street<br>Lewiston, Maine 04240 | 28,089 | 26,136 | 16,203 |
| **GOVERNMENT EMPLOYEES CREDIT UNION**<br>555 Forest Avenue<br>Portland, Maine 04101 | 60,461 | 56,574 | 30,801 |
| **MAINE STATE EMPLOYEES CREDIT UNION**<br>PO Box 5659<br>Augusta, Maine 04332-5659 | 110,338 | 100,999 | 49,133 |
| **MAINE EDUCATION CREDIT UNION**<br>35 Community Drive<br>Augusta, Maine 04330 | 6,531 | 5,901 | 5,148 |
| **MAINE TURNPIKE CREDIT UNION**<br>430 Riverside Street<br>Portland, Maine 04103 | 1,498 | 1,385 | 710 |
| **RAILROAD WORKERS' CREDIT UNION**<br>Rigby Road WestP.O. Box 9701<br>Portland, Maine 04104 | 11,485 | 10,262 | 2,114 |
| **SABATTUS REGIONAL CREDIT UNION**<br>9 High Street<br>Sabattus, Maine 04280 | 11,575 | 10,849 | 7,379 |

Exhibit VII
(Continued)

| | June 30, 1993 (In thousands) Assets | Deposits | Loans |
|---|---|---|---|
| **SD WARREN CREDIT UNION**<br>35 Cumberland Street<br>Westbrook, Maine 04092 | $ 47,567 | $ 44,089 | $ 18,036 |
| **UNIVERSITY OF MAINE CREDIT UNION**<br>P.O. Box 279<br>Orono, Maine 04473 | 39,863 | 35,927 | 29,130 |
| **UNUM EMPLOYEES' CREDIT UNION**<br>2211 Congress Street<br>Portland, Maine 04102 | $ 6,136 | $ 5,747 | $ 2,663 |
| **TOTAL: 10** | **$359,807** | **$331,753** | **$184,088** |

**MAINE**
**NATIONAL BANKS**

| | June 30, 1993 (In thousands) Assets | Deposits | Loans |
|---|---|---|---|
| Keith C. Patten, President<br>**CAMDEN NATIONAL BANK**<br>2 Elm Street, Box 310<br>Camden, Maine 04843 | $ 350,615 | $ 287,657 | $ 185,455 |
| Denison Gallaudet, President<br>**CASCO NORTHERN BANK, N.A.**<br>One Monument Square<br>P.O. Box 678<br>Portland, Maine 04106 | 1,099,987 | 947,994 | 895,599 |
| Elizabeth Timm Greenstein, President<br>**CITIBANK (MAINE), N.A.**<br>100 Foden Road, Box 2888<br>South Portland, Maine 04106 | 265,981 | 224,761 | 252,291 |
| Peter Reilly, President<br>**THE FIRST NATIONAL BANK OF BAR HARBOR**<br>102 Main Street, Box A<br>Bar Harbor, Maine 04609 | 97,732 | 85,702 | 78,290 |
| Bruce A. Bartlett, President<br>**THE FIRST NATIONAL BANK OF DAMARISCOTTA**<br>Main Street, Box 940<br>Damariscotta, Maine 04543 | 166,235 | 151,103 | 108,556 |
| David A. Page, President<br>**THE OCEAN NATIONAL BANK OF KENNEBUNK**<br>100 Main Street, Box 58<br>Kennebunk, Maine 04043 | 126,220 | 109,046 | 80,584 |
| **TOTAL: 6** | **$2,106,770** | **$1,806,263** | **$1,600,775** |

**MAINE**
**FEDERALLY CHARTERED**
**SAVINGS BANKS**

| | June 30, 1993 (In thousands) Assets | Deposits | Loans |
|---|---|---|---|
| Dennis Young, President<br>**AUGUSTA FEDERAL SAVINGS BANK**<br>22 Western Avenue<br>Augusta, Maine 04330 | $ 66,598 | $ 57,238 | $ 57,275 |
| James D. Delameter, President<br>**BETHEL SAVINGS BANK, FSB**<br>Main Street<br>Bethel, Maine 04217 | 90,719 | 61,674 | 83,625 |
| President<br>**FIRST FEDERAL SAVINGS BANK**[9]<br>110 Canal Street<br>Lewiston, Maine 04240 | 45,120 | 50,905 | 26,349 |
| Arthur Markos, President<br>**GARDINER SAVINGS INSTITUTION, FSB**<br>190 Water Street<br>Gardiner, Maine 04345 | 188,310 | 149,047 | 158,576 |
| Ralph L. Hodgkins, Jr., President<br>**MID MAINE SAVINGS BANK, FSB**<br>Great Falls Plaza<br>Auburn, Maine 04240 | 187,480 | 172,375 | 153,136 |
| Wesley Richardson, President<br>**WALDOBORO BANK, FSB**<br>Jefferson Street<br>Waldoboro, Maine 04572 | 49,165 | 36,772 | 41,359 |
| **TOTAL: 6** | **$627,392** | **$528,011** | **$520,320** |

[9]Operating under conservatorship by the federal Office of Thrift Supervision

## MAINE
## FEDERALLY CHARTERED
## SAVINGS AND LOAN ASSOCIATIONS

| | June 30, 1993 (In thousands) | | |
|---|---|---|---|
| | Assets | Deposits | Loans |
| Hollis E. Irvine, President<br>**AROOSTOOK COUNTY FEDERAL SAVINGS AND LOAN ASSOCIATION**<br>43 High Street<br>Caribou, Maine 04736 | $ 30,063 | $ 27,050 | $ 26,727 |
| Ernest L. Copley III, President<br>**BRUNSWICK FEDERAL SAVINGS, F.A.**<br>18 Pleasant Street<br>Brunswick, Maine 04011 | 85,648 | 60,773 | 70,724 |
| John E. Emery, President<br>**CALAIS FEDERAL SAVINGS AND LOAN ASSOCIATION**<br>136 Main Street<br>Calais, Maine 04619 | 33,307 | 30,049 | 21,667 |
| Daniel R. Donovan, President<br>**FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF BATH**<br>125 Front Street<br>Bath, Maine 04530 | 76,751 | 69,029 | 63,484 |
| Allen L. Rancourt, President<br>**KENNEBEC FEDERAL SAVINGS AND LOAN ASSOCIATION**<br>70 Main Street<br>Waterville, Maine 04901 | 32,706 | 29,816 | 21,560 |
| **TOTAL: 5** | **$258,475** | **$216,717** | **$204,162** |

## MAINE
## FEDERAL CREDIT UNIONS

| | June 30, 1993 (In thousands) | | |
|---|---|---|---|
| | Assets | Deposits | Loans |
| **AEROTRED FEDERAL CU**<br>34 Bates Street<br>Lewiston, Maine 04240 | $ 6,990 | $ 6,300 | $ 5,257 |
| **BANGOR FEDERAL CU**<br>74 Harlow Street<br>Bangor, Maine 04401 | 27,123 | 25,795 | 17,549 |
| **BANGOR HYDRO FEDERAL CU**<br>193 Broad Street<br>Bangor, Maine 04401 | 6,300 | 5,765 | 3,761 |
| **BANME FEDERAL CU**<br>114 Harlow Street, Suite G<br>Bangor, Maine 04401 | 1,586 | 1,440 | 1,479 |
| **BANSCO FEDERAL CU**<br>87-89 Hillside Ave., Suite 3<br>Bangor, Maine 04401 | 5,898 | 5,565 | 3,832 |
| **BARCO FEDERAL CU**<br>P.O. Box 447<br>Milo, Maine 04463 | 46,158 | 42,670 | 29,541 |
| **BLUE CROSS AND BLUE SHIELD OF MAINE FEDERAL CU**<br>110 Free Street<br>Portland, Maine 04101 | 3,802 | 3,499 | 1,623 |
| **BOWDOINHAM FEDERAL CU**<br>P.O. Box 73<br>Bowdinham, Maine 04008 | 4,956 | 4,331 | 1,821 |
| **BREWER FEDERAL CU**<br>237 Wilson Street<br>Brewer, Maine 04412 | 6,598 | 6,325 | 3,878 |
| **CAPITAL AREA FEDERAL CU**<br>23 Maple Street<br>Augusta, Maine 04330 | 4,410 | 4,238 | 3,461 |

Exhibit VII
(Continued)

| | June 30, 1993 (In thousands) Assets | Deposits | Loans |
|---|---|---|---|
| **CENTRAL MAINE POWER COMPANY FEDERAL CU**<br>44 Edison Drive<br>Augusta, Maine 04330 | $ 26,530 | $ 23,210 | $ 12,610 |
| **CHESTNUT FEDERAL CU**<br>P.O. Box 604<br>Augusta, Maine 04332 | 3,659 | 3,514 | 2,163 |
| **CUMBERLAND COUNTY TEACHERS FEDERAL CU**<br>173 Gray Road<br>Falmouth, Maine 04105 | 16,458 | 14,282 | 9,191 |
| **DEXTER REGIONAL FEDERAL CU**<br>P.O. Box 129<br>Dexter, Maine 04930 | 21,415 | 20,327 | 12,531 |
| **EASTERN MAINE FEDERAL EMPLOYEES CU**<br>202 Harlow Street<br>Bangor, Maine 04401 | 1,591 | 1,550 | 852 |
| **EASTERN MAINE MEDICAL CENTER FEDERAL CU**<br>489 State Street<br>Bangor, Maine 04401 | 11,468 | 10,837 | 6,798 |
| **EASTMILL FEDERAL CU**<br>60 Main Street<br>East Millinocket, Maine 04430 | 31,024 | 27,680 | 9,664 |
| **EMERY WATERHOUSE EMPLOYEES FEDERAL CU**<br>P.O. Box 659<br>Portland, Maine 04104 | 315 | 269 | 166 |
| **FORT KENT FEDERAL CU**<br>7 East Main Street11<br>Fort Kent, Maine 04743 | 16,805 | 15,176 | 11,931 |

Exhibit VII
(Continued)

| | June 30, 1993 (In thousands) Assets | Deposits | Loans |
|---|---|---|---|
| **FRANKLIN COUNTY FEDERAL CU**<br>P.O. Box 5048<br>Farmington, Maine 04938 | $ 6,728 | $ 6,340 | $ 5,584 |
| **FRASER EMPLOYEES FEDERAL CU**<br>P.O. Box 389<br>Madawaska, Maine 04756 | 38,792 | 32,175 | 33,037 |
| **GARDINER FEDERAL CU**<br>8 Brunswick Road<br>Gardiner, Maine 04345 | 7,316 | 6,688 | 5,932 |
| **GATEWAY FEDERAL CU**<br>306 Main Street<br>Van Buren, Maine 04785 | 8,519 | 7,756 | 4,595 |
| **GORHAM REGIONAL CU**<br>375 Main Street<br>Gorham, Maine 04038 | 12,680 | 11,689 | 9,452 |
| **GRAND ISLE COMMUNITY FEDERAL CU**<br>P.O. Box 199<br>Grande Isle, Maine 04746 | 1,341 | 1,230 | 777 |
| **GREATER PORTLAND MUNICIPAL FEDERAL CU**<br>799 Broadway<br>South Portland, Maine 04106 | 21,337 | 19,541 | 14,694 |
| **HANNAFORD ASSOCIATES FEDERAL CU**<br>P.O. Box 1440<br>Portland, Maine 04104 | 12,515 | 11,576 | 8,795 |
| **HOULTON FEDERAL CU**<br>3 Market Square<br>Houlton, Maine 04730 | 7,357 | 6,965 | 3,378 |
| **HOWLAND-ENFIELD FEDERAL CU**<br>Box 405<br>Howland, Maine 04448 | 6,454 | 6,083 | 3,197 |

Exhibit VII
(Continued)

| | June 30, 1993 (In thousands) Assets | Deposits | Loans |
|---|---|---|---|
| **JAX LAB FEDERAL CU**<br>c/o The Jackson Laboratory<br>P.O. Box 581<br>Bar Harbor, Maine 04609 | $ 904 | $ 851 | $ 323 |
| **JORDANS EMPLOYEES FEDERAL CU**<br>10 State Avenue<br>Cape Elizabeth, Maine 04107 | 396 | 349 | 214 |
| **K V FEDERAL CREDIT UNION**<br>316 Northern Avenue<br>Augusta, Maine 04330 | 27,025 | 25,028 | 14,702 |
| **KATAHDIN FEDERAL CU**<br>1000 Central Street<br>Millinocket, Maine 04462 | 57,916 | 52,055 | 22,439 |
| **KENNEBEC COUNTY FEDERAL CU**<br>104 Capitol Street<br>Augusta, Maine 04330 | 5,113 | 4,882 | 2,907 |
| **KESO FEDERAL CU**<br>P.O. Box 298<br>Fairfield, Maine 04937 | 2,718 | 2,554 | 1,697 |
| **KEYES FIBRE FEDERAL CU**<br>c/o Keyes Fibre Company<br>222 College Avenue<br>Waterville, Maine 04901 | 13,808 | 13,236 | 10,941 |
| **KNOX COUNTY FEDERAL CU**<br>P.O. Box 159<br>Rockland, Maine 04841 | 6,653 | 6,013 | 4,248 |
| **LA VALLE FEDERAL CU**<br>794 Main Street<br>Madawaska, Maine 04756 | 15,781 | 14,016 | 8,537 |
| **LEWISTON MUNICIPAL FEDERAL CU**<br>291 Pine Street<br>Lewiston, Maine 04240 | 7,852 | 7,136 | 3,839 |

Exhibit VII
(Continued)

| | June 30, 1993 (In thousands) Assets | Deposits | Loans |
|---|---|---|---|
| **LINCOLN MAINE FEDERAL CU**<br>8 Taylor Street<br>Lincoln, Maine 04457 | $ 10,424 | $ 9,806 | $ 4,766 |
| **LISBON COMMUNITY FEDERAL CU**<br>325 Lisbon Road<br>Lisbon Center, Maine 042521 | 26,932 | 24,353 | 15,688 |
| **MADISON-ANSON COMMUNITY FEDERAL CU**<br>48 Main Street<br>Madison, Maine 04950 | 1,975 | 1,896 | 1,370 |
| **MAINE FAMILY FEDERAL CU**<br>555 Sabattus Street<br>Lewiston, Maine 04240 | 38,946 | 35,741 | 22,507 |
| **MEBS FEDERAL CU**<br>P.O. Box 4060, Station A<br>Portland, Maine 04101 | 402 | 354 | 279 |
| **MEDICAL SERVICES FEDERAL CU**<br>272 Park Avenue<br>Portland, Maine 04104 | 22,600 | 21,598 | 11,594 |
| **MID-MAINE MEDICAL CENTER FEDERAL CU**<br>North Street<br>Waterville, Maine 04901 | 5,018 | 4,602 | 3,525 |
| **MIDCOAST FEDERAL CU**<br>831 Washington Street<br>Bath, Maine 04530 | 36,889 | 34,284 | 23,546 |
| **MONMOUTH FEDERAL CU**<br>P.O. Box 298<br>Monmouth, Maine 04259 | 3,321 | 3,185 | 2,578 |
| **MUNICIPAL EMPLOYEES OF AUBURN FEDERAL CU**<br>2 Turner Street, City Building<br>Auburn, Maine 04210 | 855 | 735 | 296 |
| **NATIONAL OF MAINE FEDERAL CU**<br>333 Western Avenue<br>South Portland, Maine 04106 | 4,619 | 3,661 | 2,394 |

Exhibit VII
(Continued)

| | June 30, 1993 (In thousands) Assets | Deposits | Loans |
|---|---|---|---|
| **NEW AUBURN FEDERAL CU**<br>33 Dunn Street<br>Auburn, Maine 04210 | $ 8,921 | $ 8,202 | $ 3,623 |
| **NISSEN EMPLOYEES FEDERAL CU**<br>56 Washington Avenue<br>Portland, Maine 04104 | 3,300 | 2,964 | 1,634 |
| **NOPAR FEDERAL CU**<br>P.O. Box 274<br>South Paris, Maine 04281 | 4,301 | 4,177 | 1,883 |
| **NOTRE DAME WATERVILLE FEDERAL CU**<br>61 Grove Street30<br>Waterville, Maine 04901 | 21,950 | 20,131 | 12,772 |
| **OCEAN COMMUNITIES FEDERAL CU**<br>1 Pool Street<br>Biddeford, Maine 04005 | 34,008 | 32,191 | 22,306 |
| **OTIS DIVISION FEDERAL CU**<br>P.O. Box 27<br>Jay, Maine 04329 | 36,392 | 29,490 | 20,659 |
| **OXFORD FEDERAL CU**<br>149 Main Street<br>Mexico, Maine 04257 | 46,620 | 42,030 | 23,025 |
| **PENOBSCOT FEDERAL CU**<br>P.O. Box 434<br>Old Town, Maine 04468 | 8,191 | 7,640 | 3,950 |
| **PEOPLES REGIONAL FEDERAL CU**<br>P.O. Box 10<br>Pittsfield, Maine 04967 | 15,944 | 14,555 | 5,502 |
| **PORTLAND MAINE POLICE DEPARTMENT FEDERAL CU**<br>109 Middle Street<br>Portland, Maine 04101 | 1,425 | 1,253 | 1,221 |

Exhibit VII
(Continued)

| | June 30, 1993 (In thousands) Assets | Deposits | Loans |
|---|---|---|---|
| **PORTLAND MAINE TEACHERS FEDERAL CU**<br>94 Auburn Street<br>Portland, Maine 04103 | $ 7,204 | $ 6,466 | $ 2,123 |
| **PORTLAND MAINE TRANSIT FEDERAL CU**<br>41 Allen Avenue Extension<br>Falmouth, Maine 04105 | 296 | 253 | 240 |
| **PORTLAND REGIONAL FEDERAL CU**<br>P.O. Box 6693<br>Portland, Maine 04103 | 11,730 | 10,023 | 6,893 |
| **PRESS HERALD FEDERAL CU**<br>P.O. Box 1414<br>Portland, Maine 04104 | 5,226 | 4,467 | 2,451 |
| **R C H FEDERAL CU**<br>420 Franklin Street<br>Rumford, Maine 04276 | 496 | 380 | 193 |
| **R M D FEDERAL CREDIT UNION**<br>30 River Street<br>Rumford, Maine 04276 | 3,417 | 3,243 | 1,069 |
| **RAINBOW FEDERAL CU**<br>381 Main Street<br>Lewiston, Maine 04240 | 45,884 | 41,202 | 30,388 |
| **RIVERVIEW FEDERAL CU**<br>15 Depot Square<br>Gardiner, Maine 04345 | 4,031 | 3,794 | 2,060 |
| **SACO VALLEY FEDERAL CU**<br>P.O. Box 740<br>Saco, Maine 04072 | 14,302 | 13,464 | 8,519 |
| **ST. AGATHA FEDERAL CU**<br>P.O. Box 136<br>Saint Agatha, Maine 04772 | 9,800 | 8,856 | 7,313 |
| **ST. CROIX FEDERAL CU**<br>P.O. Box 130<br>Woodland, Maine 04694 | 17,781 | 16,449 | 6,357 |

Exhibit VII
(Continued)

| | June 30, 1993 (In thousands) Assets | Deposits | Loans |
|---|---|---|---|
| **STE. CROIX PARISH FEDERAL CU**<br>P.O. Box 1746<br>Lewiston, Maine 04240 | $ 61,473 | $ 55,892 | $ 34,807 |
| **ST. FRANCIS COMMUNITY FEDERAL CU**<br>P.O. Box 121<br>Saint Francis, Maine 04774 | 984 | 880 | 932 |
| **ST. FRANCIS DE SALES FEDERAL CU**<br>50 Elm Street<br>Waterville, Maine 04901 | 15,445 | 13,962 | 7,504 |
| **ST. JOHN'S (BRUNSWICK) FEDERAL CU**<br>55 Cushing Street<br>Brunswick, Maine 04011 | 66,807 | 59,129 | 45,865 |
| **ST. JOSEPH'S BIDDEFORD FEDERAL CU**<br>P.O. Box 463<br>Biddeford, Maine 04405 | 51,664 | 48,673 | 38,899 |
| **STE. MARIE FEDERAL CU**<br>201 Lincoln Street<br>Lewiston, Maine 04240 | 2,725 | 2,516 | 2,201 |
| **SAVERS FEDERAL CU**<br>305 Main Street<br>Sanford, Maine 04073 | 7,152 | 6,741 | 5,163 |
| **SEABOARD FEDERAL CU**<br>531 Main Street<br>Bucksport, Maine 04416 | 42,903 | 38,898 | 24,671 |
| **SENTINEL EMPLOYEES FEDERAL CU**<br>25 Silver Street<br>Waterville, Maine 04901 | 276 | 228 | 152 |
| **SHAW'S EMPLOYEES FEDERAL CU**<br>RR 3 - 616 Spencer Industries<br>Wells, Maine 04090 | 6,870 | 6,390 | 3,211 |

Exhibit VII
(Continued)

| | June 30, 1993 (In thousands) Assets | Deposits | Loans |
|---|---|---|---|
| **SKOWHEGAN COMMUNITY FEDERAL CU**<br>119 Water Street<br>Skowhegan, Maine 04976 | $ 5,156 | $ 4,866 | $ 3,563 |
| **SPRAGUE-SANFORD FEDERAL CU**<br>P.O. Box 231<br>Sanford, Maine 04073 | 4,905 | 4,554 | 1,687 |
| **TACONNET FEDERAL CU**<br>60 Benton Avenue<br>Winslow, Maine 04901 | 21,382 | 20,015 | 9,896 |
| **TELCO OF NEW ENGLAND FEDERAL CU**<br>4 Davis Farm Road<br>Portland, Maine 04104 | 70,530 | 64,619 | 43,165 |
| **THE COUNTY FEDERAL CU**<br>P.O. Box 871<br>Loring, Maine 04751 | 54,305 | 50,134 | 30,926 |
| **TOWN & COUNTRY FEDERAL CU**<br>557 Main Street<br>South Portland, Maine 04106 | 40,176 | 37,959 | 22,777 |
| **VASSALBORO FEDERAL CU**<br>36 Main Street<br>North Vassalboro, Maine 04962 | 8,002 | 7,765 | 4,429 |
| **WINSLOW COMMUNITY FEDERAL CU**<br>P.O. Box 8117<br>Winslow, Maine 04364 | 13,991 | 13,178 | 5,754 |
| **WINTHROP AREA FEDERAL CU**<br>P.O. Box 55<br>Winthrop, Maine 04364 | 15,440 | 14,187 | 9,444 |
| **YORK COUNTY TEACHERS FEDERAL CU**<br>124 Main Street<br>Sanford, Maine 04073 | 30,992 | 28,586 | 21,419 |
| **TOTAL: 91** | **$1,478,669** | **$1,349,553** | **$ 866,585** |

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